



Vol. 23, Issue 6

~ Administrative Register Contents ~

February 10, 2017

Information	320
Rulemaking Guide	321
<u>RULES AND RULEMAKING</u>	
Proposed Rulemaking, Notices of	
2 A.A.C. 6 Department of Administration - Benefit Services Division.	323
Final Rulemaking, Notices of	
18 A.A.C. 2 Department of Environmental Quality - Air Pollution Control	333
<u>OTHER AGENCY NOTICES</u>	
Docket Opening, Notices of Rulemaking	
2 A.A.C. 6 Department of Administration - Benefit Services Division.	415
Guidance Document, Notices of Agency	
Department of Health Services	417
Public Information, Notices of	
Arizona Board of Regents	418
<u>INDEXES</u>	
Register Index Ledger	428
Rulemaking Action, Cumulative Index for 2017	429
Other Notices and Public Records, Cumulative Index for 2017	430
<u>CALENDAR/DEADLINES</u>	
Rules Effective Dates Calendar	431
Register Publishing Deadlines	433
<u>GOVERNOR'S REGULATORY REVIEW COUNCIL</u>	
Governor's Regulatory Review Council Deadlines.	434

DIRECTOR
Public Services Division
Scott Cancelosi

PUBLISHER
Secretary of State
MICHELE REAGAN

RULES MANAGING EDITOR
Arizona Administrative Register
Rhonda Paschal

From the Publisher

ABOUT THIS PUBLICATION

The paper copy of the *Administrative Register* (A.A.R.) is the official publication for rules and rulemaking activity in the state of Arizona.

Rulemaking is defined in Arizona Revised Statutes known as the Arizona Administrative Procedure Act (APA), A.R.S. Title 41, Chapter 6, Articles 1 through 10.

The Office of the Secretary of State does not interpret or enforce rules published in the *Arizona Administrative Register* or *Code*. Questions should be directed to the state agency responsible for the promulgation of the rule as provided in its published filing.

The *Register* is cited by volume and page number. Volumes are published by calendar year with issues published weekly. Page numbering continues in each weekly issue.

In addition, the *Register* contains the full text of the Governor's Executive Orders and Proclamations of general applicability, summaries of Attorney General opinions, notices of rules terminated by the agency, and the Governor's appointments of state officials and members of state boards and commissions.

ABOUT RULES

Rules can be: made (all new text); amended (rules on file, changing text); repealed (removing text); or renumbered (moving rules to a different Section number). Rules activity published in the *Register* includes: proposed, final, emergency, expedited, and exempt rules as defined in the APA.

Rulemakings initiated under the APA as effective on and after January 1, 1995, include the full text of the rule in the *Register*. New rules in this publication (whether proposed or made) are denoted with underlining; repealed text is stricken.

WHERE IS A "CLEAN" COPY OF THE FINAL OR EXEMPT RULE PUBLISHED IN THE REGISTER?

The *Arizona Administrative Code* (A.A.C.) contains the codified text of rules. The A.A.C. contains rules promulgated and filed by state agencies that have been approved by the Attorney General or the Governor's Regulatory Review Council. The *Code* also contains rules exempt from the rulemaking process.

The printed *Code* is the official publication of a rule in the A.A.C. is prima facie evidence of the making, amendment, or repeal of that rule as provided by A.R.S. § 41-1012. Paper copies of rules are available by full Chapter or by subscription. The *Code* is posted online for free.

LEGAL CITATIONS AND FILING NUMBERS

On the cover: Each agency is assigned a Chapter in the *Arizona Administrative Code* under a specific Title. Titles represent broad subject areas. The Title number is listed first; with the acronym A.A.C., which stands for the *Arizona Administrative Code*; following the Chapter number and Agency name, then program name. For example, the Secretary of State has rules on rulemaking in Title 1, Chapter 1 of the *Arizona Administrative Code*. The citation for this chapter is 1 A.A.C. 1, Secretary of State, Rules and Rulemaking

Every document filed in the office is assigned a file number. This number, enclosed in brackets, is located at the top right of the published documents in the *Register*. The original filed document is available for 10 cents a copy.

Arizona Administrative REGISTER

Vol. 23

Issue 6

PUBLISHER
SECRETARY OF STATE
Michele Reagan

PUBLIC SERVICES STAFF
DIRECTOR
Scott Cancelosi

RULES MANAGING EDITOR
Rhonda Paschal

SUBSCRIPTIONS
ADMINISTRATIVE REGISTER
The printed version of the *Administrative Register* is the official publication of Arizona state agency rules.
Rates: \$276 yearly
New subscriptions, renewals and address changes contact us at (602) 364-3223.

This publication is available online for free at www.azsos.gov.

ADMINISTRATIVE CODE
A price list for the *Arizona Administrative Code* is available online. You may also request a paper price list by mail. To purchase a paper Chapter, contact us at (602) 364-3223.

PUBLICATION DEADLINES
Publication dates are published in the back of the *Register*. These dates include file submittal dates with a three-week turnaround from filing to published document.

CONTACT US
The Honorable Michele Reagan
Office of the Secretary of State
1700 W. Washington Street, Fl. 7
Phoenix, AZ 85007
(602) 364-3223

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Participate in the Process

Look for the Agency Notice

Review (inspect) notices published in the *Arizona Administrative Register*. Many agencies maintain stakeholder lists and would be glad to inform you when they proposed changes to rules. Check an agency's website and its newsletters for news about notices and meetings.

Feel like a change should be made to a rule and an agency has not proposed changes? You can petition an agency to make, amend, or repeal a rule. The agency must respond to the petition. (See A.R.S. § 41-1033)

Attend a public hearing/meeting

Attend a public meeting that is being conducted by the agency on a Notice of Proposed Rulemaking. Public meetings may be listed in the Preamble of a Notice of Proposed Rulemaking or they may be published separately in the *Register*. Be prepared to speak, attend the meeting, and make an oral comment.

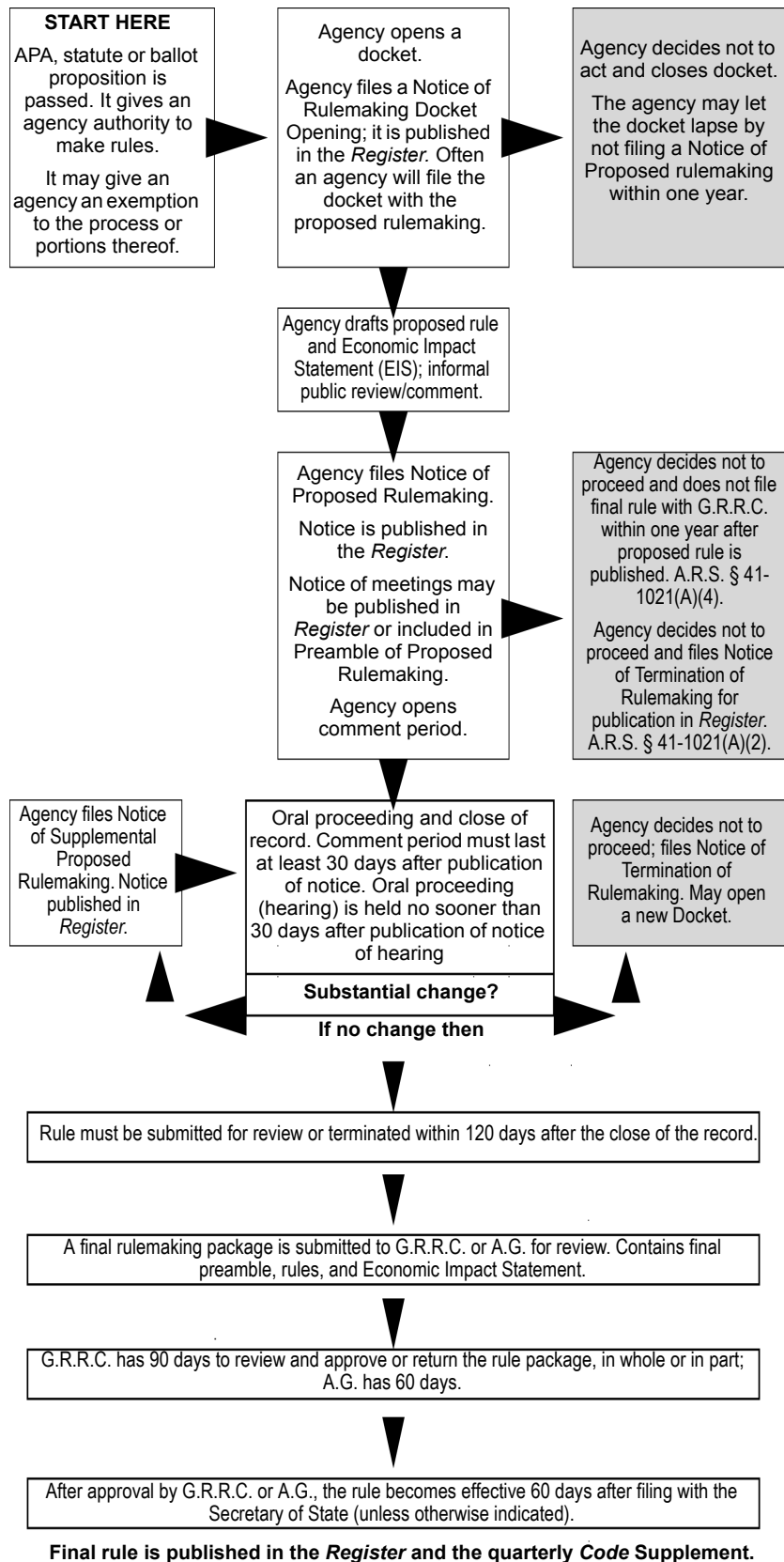
An agency may not have a public meeting scheduled on the Notice of Proposed Rulemaking. If not, you may request that the agency schedule a proceeding. This request must be put in writing within 30 days after the published Notice of Proposed Rulemaking.

Write the agency

Put your comments in writing to the agency. In order for the agency to consider your comments, the agency must receive them by the close of record. The comment must be received within the 30-day comment timeframe following the *Register* publication of the Notice of Proposed Rulemaking.

You can also submit to the Governor's Regulatory Review Council written comments that are relevant to the Council's power to review a given rule (A.R.S. § 41-1052). The Council reviews the rule at the end of the rulemaking process and before the rules are filed with the Secretary of State.

Arizona Regular Rulemaking Process



Definitions

Arizona Administrative Code (A.A.C.): Official rules codified and published by the Secretary of State's Office. Available online at www.azsos.gov.

Arizona Administrative Register (A.A.R.): The official publication that includes filed documents pertaining to Arizona rulemaking. Available online at www.azsos.gov.

Administrative Procedure Act (APA): A.R.S. Title 41, Chapter 6, Articles 1 through 10. Available online at www.azleg.gov.

Arizona Revised Statutes (A.R.S.): The statutes are made by the Arizona State Legislature during a legislative session. They are compiled by Legislative Council, with the official publication codified by Thomson West. Citations to statutes include Titles which represent broad subject areas. The Title number is followed by the Section number. For example, A.R.S. § 41-1001 is the definitions Section of Title 41 of the Arizona Administrative Procedures Act. The "§" symbol simply means "section." Available online at www.azleg.gov.

Chapter: A division in the codification of the *Code* designating a state agency or, for a large agency, a major program.

Close of Record: The close of the public record for a proposed rulemaking is the date an agency chooses as the last date it will accept public comments, either written or oral.

Code of Federal Regulations (CFR): The *Code of Federal Regulations* is a codification of the general and permanent rules published in the *Federal Register* by the executive departments and agencies of the federal government.

Docket: A public file for each rulemaking containing materials related to the proceedings of that rulemaking. The docket file is established and maintained by an agency from the time it begins to consider making a rule until the rulemaking is finished. The agency provides public notice of the docket by filing a Notice of Rulemaking Docket Opening with the Office for publication in the *Register*.

Economic, Small Business, and Consumer Impact Statement (EIS): The EIS identifies the impact of the rule on private and public employment, on small businesses, and on consumers. It includes an analysis of the probable costs and benefits of the rule. An agency includes a brief summary of the EIS in its preamble. The EIS is not published in the *Register* but is available from the agency promulgating the rule. The EIS is also filed with the rulemaking package.

Governor's Regulatory Review (G.R.R.C.): Reviews and approves rules to ensure that they are necessary and to avoid unnecessary duplication and adverse impact on the public. G.R.R.C. also assesses whether the rules are clear, concise, understandable, legal, consistent with legislative intent, and whether the benefits of a rule outweigh the cost.

Incorporated by Reference: An agency may incorporate by reference standards or other publications. These standards are available from the state agency with references on where to order the standard or review it online.

Federal Register (FR): The *Federal Register* is a legal newspaper published every business day by the National Archives and Records Administration (NARA). It contains federal agency regulations; proposed rules and notices; and executive orders, proclamations, and other presidential documents.

Session Laws or "Laws": When an agency references a law that has not yet been codified into the Arizona Revised Statutes, use the word "Laws" is followed by the year the law was passed by the Legislature, followed by the Chapter number using the abbreviation "Ch.," and the specific Section number using the Section symbol (§). For example, Laws 1995, Ch. 6, § 2. Session laws are available at www.azleg.gov.

United States Code (U.S.C.): The Code is a consolidation and codification by subject matter of the general and permanent laws of the United States. The Code does not include regulations issued by executive branch agencies, decisions of the federal courts, treaties, or laws enacted by state or local governments.

Acronyms

A.A.C. – *Arizona Administrative Code*

A.A.R. – *Arizona Administrative Register*

APA – *Administrative Procedure Act*

A.R.S. – *Arizona Revised Statutes*

CFR – *Code of Federal Regulations*

EIS – *Economic, Small Business, and Consumer Impact Statement*

FR – *Federal Register*

G.R.R.C. – *Governor's Regulatory Review Council*

U.S.C. – *United States Code*

About Preambles

The Preamble is the part of a rulemaking package that contains information about the rulemaking and provides agency justification and regulatory intent.

It includes reference to the specific statutes authorizing the agency to make the rule, an explanation of the rule, reasons for proposing the rule, and the preliminary Economic Impact Statement.

The information in the Preamble differs between rulemaking notices used and the stage of the rulemaking.



NOTICES OF PROPOSED RULEMAKING

This section of the *Arizona Administrative Register* contains Notices of Proposed Rulemakings.

A proposed rulemaking is filed by an agency upon completion and submittal of a Notice of Rulemaking Docket Opening. Often these two documents are filed at the same time and published in the same *Register* issue.

When an agency files a Notice of Proposed Rulemaking under the Administrative Procedure Act (APA), the notice is published in the *Register* within three weeks of filing. See the publication schedule in the back of each issue of the *Register* for more information.

Under the APA, an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule (A.R.S. §§ 41-1013 and 41-1022).

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the proposed rules should be addressed to the agency that promulgated the rules. Refer to item #4 below to contact the person charged with the rulemaking and item #10 for the close of record and information related to public hearings and oral comments.

NOTICE OF PROPOSED RULEMAKING TITLE 2. ADMINISTRATION CHAPTER 6. DEPARTMENT OF ADMINISTRATION BENEFIT SERVICES DIVISION

[R17-11]

PREAMBLE

- | | |
|--|---|
| <p>1. <u>Article, Part, or Section Affected (as applicable)</u></p> <p>R2-6-101
R2-6-105
R2-6-106
R2-6-107
R2-6-108
R2-6-204
R2-6-301
R2-6-302
R2-6-303</p> | <p><u>Rulemaking Action</u></p> <p>Amend
Amend
Amend
Amend
Amend
Amend
Amend
Amend
Amend</p> |
|--|---|
- 2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**
 Authorizing statute: A.R.S. §§ 38-651.04, 38-654, and 41-703(3)(11)
 Implementing statute: A.R.S. §§ 38-651, 38-651.01, 38-651.02, 38-651.03, 38-651.05, 38-653, and 38-1114
- 3. Citations to all related notices published in the *Register* as specified in R1-1-409(A) that pertain to the record of the proposed rule:**
 Notice of Rulemaking Docket Opening: 23 A.A.R. 415, February 10, 2017 (*in this issue*).
- 4. The agency's contact person who can answer questions about the rulemaking:**
 Name: Kayla Stivason
 Address: Department of Administration
 Benefit Services Division
 100 N 15th Ave., Suite 260
 Phoenix, AZ 85007
 Telephone: (602) 364-0803
 Fax: (602) 542-4048
 E-mail: Kayla.Stivason@azdoa.gov
 Web site: <https://benefitoptions.az.gov/>
- 5. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:**
 R2-6-101 provides definitions for general terms that are referenced throughout chapter 6 relating to benefits. BSD will amend this section due to provisions in the rules being outdated, antiquated and no longer applicable to the operation of benefits. Within the current provisions of this section there is reference to domestic partner, older child, disabled older child, pre-tax dependent and post-tax dependent which are to be removed to comply with recent statutory changes. Likewise, definitions are being amended to clarify meaning and eliminate confusion; this includes definitions for child, eligible dependents, employee, qualified life events, seasonal employee, temporary employee, and variable hour employee. New legislation requires references to be added to include terms for a surviving spouse/ dependent of a deceased law enforcement officer killed in the line of duty, which is being incorporated into the current definitions for a surviving spouse and surviving dependent. These changes will provide enhanced clarification.



tion for laws regulating the manner in which benefits are offered to state employees.

R2-6-105 stipulates the times for enrollment into insurance benefits for different classifications of members. A new subsection (D) is being incorporated to include times for enrollment for surviving spouse and dependents of a deceased law enforcement officer killed in the line of duty, which is a requirement of state statute.

R2-6-106 specifies effective dates of coverage for employees, member's dependents, and retirees once enrolled in benefits. This section explains when coverage dates will take place when experiencing any changes due to employment, Medicare eligibility, retirement, or a qualified life event. BSD will amend subsections (C)(3) and (4) of this section to remove reference to domestic partner and to modify word use of educational institution to educational entity. These changes are being made to remain consistent with definitions used in R2-6-101 and to eliminate contradictory information between rule and §A.R.S. 38-651 that are no longer necessary to the operation of benefits.

R2-6-107 delineates the different timelines of when termination of benefits coverage will take place. Subsection (B) must be amended to clarify when insurance coverage will terminate for an eligible dependent who is no longer meeting the age requirement and subsection (D)(1) and (2) must be amended to include surviving spouse/ dependent of a deceased law enforcement officer killed in the line of duty. Specifying these factors is necessary to align with state statute requirements and federal mandates.

R2-6-108 discusses COBRA coverage eligibility, costs, and requirements. BSD will amend this section, in order to be consistent with section R2-6-101, which removes information that is outdated, antiquated and no longer necessary to the operations of benefits. Specifically, subsection (B) will remove all reference to the terms domestic partner, older child, and disabled older child. This change will alleviate any contradictory information that may be present about terms that are no longer recognized by BSD.

R2-6-204 sets forth the requirement that the agency will comply with Section 125 of the Internal Revenue Code. It explains how the employee's or officer's compensation will be treated in a flexible benefit plan. Subsection (B) through (D) are being amended to remove reference to pre and post-tax dependents. This is necessary to align with R2-6-101. Reference to pre- and post-tax dependents are no longer recognized due to no longer covering domestic partners. This change eliminates references that are no longer necessary for the operation of benefits.

R2-6-301 discusses eligibility criteria to participate in health, dental, and vision insurance plans. BSD will amend subsection (F) which addresses eligibility exceptions. Subsection (F)(1) through (3) references outdated State Personnel System rules, pertaining to leave without pay, which have been repealed. Section (F) is being updated to now incorporate the correct reference to the Personnel rules. Amending this rule eliminates antiquated information.

R2-6-302 outlines eligibility to participate in life and short-term disability insurance plans. This rule is necessary to differentiate when employees, officers, former elected officials, eligible dependents, and surviving spouse of a former elected official may participate in these insurance plans, and at what specific times enrollment must occur. BSD is amending subsection (A) (3) of this rule to remove information that is contradictory to current BSD practice. In subsection (A) (3) there is reference to the amount of supplemental life insurance that an employee is eligible to purchase and how it may not exceed three times of the employee's or officer's base pay when combined with basic life insurance. Current contract does not combine basic and supplemental life when determining eligible amounts allowable per employee. This rulemaking will eliminate provisions that are not applicable to the operation of benefits.

R2-6-303 provides expectations and acceptable forms of documentation in regards to audits of dependent eligibility. Section (C) is being amended to include language that provides authority of the director to extend the 60-day requirement on an individual basis. (C)(3), (4), and (10) are being removed as acceptable forms of documentation, in part to the removal of domestic partner. Subsection (D) (1) is adding a sentence to the beginning that addresses the advanced notice of at least 30-days to the member before terminating coverage of a dependent found to be ineligible. These changes are necessary to comply with federal mandates (PPACA).

6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The Department did not review or rely on any study for this rulemaking.

7. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

This rulemaking package does not have any effect on small business or consumer impact, but rather affects the state employee population. For the 2015 plan year ADOA's medical plan covered 53,386 active employees, including the state universities, 6,965 retirees and 72,657 dependents of the active and retiree populations.

From 1990 to 2016 there has been 73 firefighters and 75 law enforcement officers killed in the line of duty. Generally, there is an average of 2:1 members to employees. So there could be up to 296 new members eligible to join the plan, however, unlikely. Some of the surviving spouses and children may have passed away over the last 16 years and some of the children have attained 26 years of age. Currently, ADOA has three surviving spouses and five surviving children enrolled in the medical insurance plan under the provisions of the previous law. Additionally, it is difficult to determine how many surviving dependent(s) of law enforcement officers killed in the line of duty will utilize the lifetime benefit. If both parents of surviving children have deceased prior to the dependent turning the age of 26 years old, the dependent is reclassified as a member who is eligible to stay on the plan indefinitely, with the ability to now add their own dependents until they reach age 26. A.R.S. §38-1114 does not require enrollment in the health plan within a certain time limit, which could potentially expand the eligible population many years prior to the statute taking affect.

There is no expected economic impact because the number of same sex spouses has been nearly equal to the number of domestic



partners that were on the plan.

9. The agency's contact person who can answer questions about the economic, small business and consumer impact statement:

Name: Kayla Stivason
 Address: Arizona Department of Administration
 Benefit Services Division
 100 N 15th Ave., Suite 260
 Phoenix, AZ 85007
 Telephone: (602) 364-0803
 Fax: (602) 542-4048
 E-mail: Kayla.Stivason@azdoa.gov
 Web site: <https://benefitoptions.az.gov/>

10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

The Department has scheduled the following oral proceeding:

Date and time: Monday, April 3, 2017 from 8:00 a.m. to 3:00 p.m.

Location: Arizona Department of Administration
 1st Floor Conference Room
 100 N. 15th Ave.
 Phoenix, AZ 85007

Close of record: Monday, April 3, 2017

A person may submit written comments on the proposed rules no later than the close of record to either of the individuals listed in items 4 and 9.

A person with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Kayla Stivason at Kayla.Stivason@azdoa.gov or (602) 364-0803. Requests should be made as early as possible to allow time to arrange the accommodation.

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

None of the rules require a permit.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

Federal law 26 U.S. Code §125 and 111 P.L. 148 Affordable Care Act and Supreme Court decisions Diaz v. Brewer (Case No. 2:09-cv-02402 JWS) and 135 S. Ct. 2584 Obergefell v. Hodges are applicable to the subject of this rulemaking. The proposed rules are not more stringent than federal law.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No business competitiveness analysis was received by the Department.

12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

Not applicable

13. The full text of the rules follows:

TITLE 2. ADMINISTRATION

**CHAPTER 6. DEPARTMENT OF ADMINISTRATION
 BENEFIT SERVICES DIVISION**

ARTICLE 1. GENERAL PROVISIONS

Section	
R2-6-101.	Definitions
R2-6-105.	Times for Enrollment
R2-6-106.	Effective Date of Coverage
R2-6-107.	Termination of Coverage
R2-6-108.	COBRA

ARTICLE 2. INSURANCE PLANS

Section	
R2-6-204.	Employee Flexible Benefit Plan

ARTICLE 3. ELIGIBILITY CRITERIA

Section



- R2-6-301. Eligibility to Participate in Health, Dental, and Vision Insurance Plans
- R2-6-302. Eligibility to Participate in Life and Short-term Disability Insurance Plans
- R2-6-303. Audit of Dependent Eligibility

ARTICLE 1. GENERAL PROVISIONS

R2-6-101. Definitions

In this Chapter, unless otherwise specified:

1. "Accident and health insurance," as used in A.R.S. Title 38, Chapter 4, Article 4, means health insurance and dental insurance.
2. "Agency" means a department, board, office, authority, commission, or other governmental budget unit of the state.
3. "Agency head" means the chief executive officer of an agency.
4. "Appeal" means a request to a plan provider for review of a decision made by the plan provider.
5. "Approved leave" means an employee's or officer's absence from assigned work that is authorized by the employee's or officer's supervisor.
6. "Base pay" means the fixed compensation paid to an employee or officer. Base pay excludes pay for overtime, shift differential, bonuses, special performance adjustment, special incentive program, or other allowance.
7. "Basic life insurance" means the amount of life insurance that the Department provides at no charge to an employee or officer.
8. "Child" means an ~~unmarried~~ individual who falls within one or more of the following categories:
 - a. A natural child, adopted child, ~~or~~ stepchild, or foster child of an employee, officer, retiree, or former elected official, ~~or domestic partner~~ who is: ~~younger than 26;~~
 - i. ~~Younger than 19; or~~
 - ii. ~~Younger than 25 if a full-time student;~~
 - b. ~~A foster child who is younger than 19;~~
 - c. A child who is younger than ~~19~~26 for whom the employee, officer, retiree, or former elected official has court-ordered guardianship;
 - d. A child who is younger than ~~19~~26 and placed in the home of the employee, officer, retiree, or former elected official by court order pending adoption; or
 - e. A natural child, adopted child, ~~or~~ stepchild or foster child of an employee, officer, retiree, or former elected official, ~~or domestic partner~~:
 - i. Who was disabled as defined at 42 U.S.C. 1382c before the age of ~~19~~ 26;
 - ii. Who continues to be disabled as defined at 42 U.S.C. 1382c;
 - iii. Who is dependent for support and maintenance upon the employee, officer, retiree, or former elected official, ~~or domestic partner~~; and
 - iv. For whom the employee, officer, retiree, or former elected official, ~~or domestic partner~~ had custody before the child was ~~19~~26.
9. "COBRA" means Consolidated Omnibus Budget Reconciliation Act of 1986, which is a federal law that provides the opportunity to continue group health insurance cover- age that might otherwise be terminated.
10. "COBRA member" means a former member or formerly eligible dependent of a member or former member who opts to continue health insurance through COBRA after no longer meeting the eligibility standards in Article 3.
11. "Compensation" means the total taxable remuneration provided by the state to an employee or officer in exchange for the employee's or officer's services.
12. "Creditable coverage" has the same meaning as pre- scribed at 29 U.S.C. 1181.
13. "Day" means a calendar day.
14. "Dental insurance" means an arrangement under which a policy holder makes advance payment to an insurer and the insurer pays amounts on behalf of an insured for certain preventive, diagnostic, and remedial care of the insured's teeth and gums.
15. "Department" means the Arizona Department of Administration.
16. "Director" means the Director of the Department or the Director's designee.
17. "Disability income insurance" means a form of insurance that insures a specified portion of the compensation of an employee or officer against the risk that disability will make working impossible.
18. "Disabled older child" means an older child who:
 - a. ~~Is disabled, as defined at 42 U.S.C. 423 or 42 U.S.C. 1382e;~~
 - b. ~~Became disabled on or after the older child's 19th birthday but before the older child's 25th birthday;~~
 - c. ~~Is dependent for support and maintenance upon:~~
 - i. ~~The employee, officer, retiree, or former elected official who enrolled the disabled older child in the insurance plan made available by the Department; or~~
 - ii. ~~The domestic partner of the employee, officer, retiree, or former elected official; and~~
 - d. ~~If the criteria in subsections (18)(a) through (18)(c) are met, may be more than 24 years old.~~
19. "Domestic partner" means an individual who is of the same or opposite gender to an employee, officer, or retiree and who:
 - a. ~~Shares a permanent residence with the employee, officer, or retiree;~~
 - b. ~~Has resided with the employee, officer, or retiree continuously for the last 12 consecutive months and expects to continue to reside with the employee, officer, or retiree indefinitely as evidenced by an affidavit filed at the time of enrollment;~~
 - c. ~~Has not signed a declaration or affidavit of domestic partnership with another individual within the last 12 months;~~
 - d. ~~Has not had another domestic partner within the last 12 months;~~
 - e. ~~Does not currently have another domestic partner;~~
 - f. ~~Is not currently married to or legally separated from anyone;~~
 - g. ~~Is not related by blood to the employee, officer, or retiree to a degree that would prohibit marriage in Arizona;~~
 - h. ~~Was mentally competent to consent when the domestic partnership was established;~~



- i. ~~Is not acting under fraud or duress with regard to the insurance plans made available by the Department;~~
- j. ~~Is at least 18 years old; and~~
- k. ~~Is financially interdependent with the employee, officer, or retiree in at least three of the following ways:~~
 - i. ~~Holds a joint mortgage, joint property tax identification, or joint tenancy on a residential lease;~~
 - ii. ~~Holds one or more credit or bank accounts jointly;~~
 - iii. ~~Owns significant property, such as a vehicle or real estate, jointly;~~
 - iv. ~~Has one or more joint liabilities;~~
 - v. ~~Is named by or has named the employee, officer, or retiree as beneficiary of life insurance or under a will or retirement annuity;~~
 - vi. ~~Has a written durable power of attorney in which each assumes financial responsibility for the other; or~~
 - vii. ~~Other evidence of financial interdependence that is approved by the Director.~~
- 20. "Eligible dependent" means a member's spouse, ~~domestic partner, or child, older child, or disabled older child,~~ who is lawfully present in the U.S.
- 21. "Employee" ~~for the purposes of eligibility,~~ means an individual who is hired by the state, including the state universities, and who is regularly scheduled to work at least 20 hours per week for six months or longer ~~Employee does not include: at least 90 days, but does not include:~~
 - a. A patient or inmate employed at a state institution;
 - b. A non-state employee, officer, or enlisted personnel of the National Guard of Arizona;
 - c. ~~An individual hired to fill an emergency, seasonal, or temporary position; A seasonal, temporary, or variable hour employee, unless the employee is determined to have been paid for an average of at least 30 hours per week using a 12-month measurement period;~~
 - d. An individual who fills a position designed primarily to provide rehabilitation to the individual;
 - e. ~~A student or work study employee; or~~
 - f. An individual hired by a state university or college for whom the state university or college does not contribute to a state-sponsored retirement plan unless the individual is:
 - i. A non-immigrant alien employee,
 - ii. Participating in a medical residency or post- doctoral training program,
 - iii. On federal appointment with Cooperative Extension, or
 - iv. A retiree who has returned to work under A.R.S. § 38-766.01.
- 22. "Employee flexible benefit plan," is the State of Arizona Cafeteria Plan as approved by the Internal Revenue Service and means the insurance plans specified in R2-6- 204, the value of which is excludable from an employee's or officer's compensation under Section 125 of the Internal Revenue Code.
- 23. "Flexible spending account" means a financial arrangement under which an employee or officer authorizes the Department to reduce the employee's or officer's compensation on a pre-tax basis by a specified amount that the employee or officer uses to pay for eligible out-of- pocket expenses for health care, dependent care, or both.
- 24. "Former elected official" means an individual who was elected by popular vote in this state to serve, but who no longer serves as
 - a.
 - a. State official;
 - b. County official;
 - c. Justice of the Supreme Court;
 - d. Judge of the court of appeals or superior court;
 - e. Full-time superior court commissioner except a full- time superior court commissioner who did not make a timely election of membership under the judges' retirement plan repealed on August 7, 1985; and
 - f. Official of an incorporated city or town if the incorporated city or town has executed an agreement with the state for coverage of the official.
- 25. "Grievance" means a written expression of dissatisfaction about any benefits matter other than a decision by a plan provider.
- 26. "Health insurance" means an arrangement under which a policy holder makes advance payments to an insurer and the insurer pays amounts on behalf of an insured for routine, preventive, and emergency health-care procedures and pharmaceuticals.
- 27. "Incumbent" means the employee or officer who currently holds a position or office.
- 28. "Institution" means a facility that provides supervision or care for residents on a 24-hours-per-day, seven-days-per- week basis.
- 29. "Life insurance" means a contract between an insurer and a policy holder under which the insurer agrees to pay a sum of money upon the occurrence of an insured's death in exchange for the policy holder paying a stipulated amount at regular intervals.
- 30. "Long-term disability insurance" means an insurance product that replaces part of an employee's or officer's compensation after an initial waiting period for the duration of time that the employee or officer is medically determined to be totally disabled as a result of a covered injury, illness, or pregnancy.
- 31. "Manifest error" means an act or failure to act that clearly is or has caused a mistake.
- 32. "Member" means an employee, officer, retiree, or former elected official who meets the criteria at R2-6-301(B), who enrolls in one or more of the insurance plans made available by the Department.
- 33. "Officer" means an individual who:
 - a. Is elected or appointed to a state office, including a member of the state legislature; or
 - b. Is a member of a state board, commission, or council and serves at least 1,000 hours per year.
- 34. "Older child" means an individual who meets one of the criteria in subsections (a) through (e) and all of the criteria in subsections (d) through (g):
 - a. ~~Is a natural child, adopted child, or stepchild of an employee, officer, retiree, or former elected official;~~
 - b. ~~Is a natural child, adopted child, or stepchild of a domestic partner; or~~



- e. ~~Is a child for whom an employee, officer, retiree, or former elected official received a court-ordered guardianship when the child was 18 years old or younger;~~
- d. ~~Is younger than 25 years old;~~
- e. ~~Is unmarried;~~
- f. ~~Was covered by a health insurance plan made available by the Department during the year that the individual was 18 years old; and~~
- g. ~~Resides in Arizona.~~
- 35. ~~“Open enrollment” means a specified period during which a member may make additions, changes, or deletions to the member’s participation in the insurance plans made available by the Department.~~
- 36. ~~“Ophthalmic goods” means eyeglasses or contact lenses for which a prescription is required and components of the eyeglasses.~~
- 37. ~~“Plan provider” means an entity that enters into a contract with the Department to provide an insurance plan to members and their eligible dependents.~~
- 38. ~~“Plan year” means a specified period of 12 consecutive months during which a member is able to change the member’s participation in the insurance plans made available by the Department only if the member experiences a qualified life event.~~
- 39. ~~“Post-tax dependent” means an older child, disabled older child, domestic partner, and natural child, adopted child, or stepchild of the domestic partner of an employee or officer.~~
- 40. ~~“Pre-tax dependent” means an eligible dependent who is not a post-tax dependent.~~
- 41. ~~“QMCSO” means qualified medical child support order and has the same meaning as prescribed at 29 U.S.C. 1169.~~
- 42. ~~“Qualified life event” means a change in a member’s dependents, employment status, or residence that entitles the member to change the member’s or an eligible dependent’s participation in the insurance plans made available by the Department before the next open enrollment period. Qualified life event includes:~~
 - a. ~~Change in marital status caused by marriage, divorce, legal separation, annulment, or death of spouse;~~
 - b. ~~Change in domestic partnership status caused by creation or termination of a domestic partnership or death of a domestic partner;~~
 - eb. ~~Change in dependent status caused by birth, adoption, placement for adoption, court-ordered guardianship, death, or dependent eligibility due to age, marriage, or student status;~~
 - dc. ~~Change in employment status or work schedule that affects a member’s eligibility to participate in the insurance plans made available by the Department; and~~
 - ed. ~~Change in residence that affects available insurance plan options.~~
- 43. ~~“Retiree” means an employee or officer who is retired under a state-sponsored retirement plan or who receives long-term disability payments under a plan made available by the Department.~~
- 44. ~~“Salary-reduction order” means a document signed by an employee or officer who elects to participate in the employee flexible benefit plan authorizing the state to reduce the employee’s or officer’s compensation under Section 125 of the Internal Revenue Code.~~
~~“Seasonal employee” means an individual who is employed by the state for not more than six months of the year and whose state employment is dependent on an easily identifiable increase in work associated with a specific and reoccurring season. Seasonal employees do not include employees of education entities who work during the active portions of the academic year.~~
- 45. ~~“Short-term disability insurance” means an insurance product that replaces part of an employee’s or officer’s compensation for a predetermined period if the employee or officer is medically determined to be unable to work due to illness, pregnancy, or a non-work-related injury.~~
- 46. ~~“Spouse” means a member’s husband or wife under Arizona law.~~
- 47. ~~“Supplemental life insurance” means life insurance that is in addition to basic life insurance.~~
- 48. ~~“Surviving dependent,” as used in A.R.S. § 38-651.01(A) or A.R.S. §38-1114, means:~~
 - a. ~~An insured eligible dependent of an insured retiree who dies, or~~
 - b. ~~An insured spouse or insured eligible dependent child of an insured employee or officer who dies when eligible for retirement under the Arizona State Retirement System; or~~
 - c. ~~An insured or uninsured dependent of a deceased law enforcement officer killed in the line of duty as specified in A.R.S. §38-1114.~~
- 49. ~~“Surviving spouse,” as used in A.R.S. § 38-651.01(B), means the insured spouse of:~~
 - a. ~~An incumbent elected official who dies when the incumbent elected official would be qualified for eligibility under R2-6-301(B) if the incumbent elected official had not been in office at the time of death, or~~
 - b. ~~An insured former elected official who dies when qualified for eligibility under R2-6-301(B); or~~
 - c. ~~An insured or uninsured spouse of a deceased law enforcement officer killed in the line of duty as prescribed in A.R.S. §38-1114.~~~~“Temporary employee” means an appointment made for a maximum of 1,500 hours worked in any agency in each calendar year. A temporary appointment employee may work full time for a portion of the year, intermittently, on a seasonal basis, or on an as needed basis.~~
~~“Variable hour employee” means an individual who is employed by the state, if based on the facts and circumstances at the employee’s start date, for whom the state cannot determine whether the employee is reasonably expected to be employed an average of at least 30 hours per week, including any paid leave, because the employee’s hours are variable or otherwise uncertain.~~
- 50. ~~“Vision insurance” means a form of insurance that provides coverage for the services rendered by an eye-care professional and for the purchase of ophthalmic goods.~~

R2-6-105. Times for Enrollment

- A. An employee, officer, retiree, or former elected official may enroll or may enroll an eligible dependent in one or more of the insurance plans made available by the Department only at the following times:



1. Within 31 days of becoming eligible to participate in an insurance plan,
 2. Within 31 days of a qualified life event, and
 3. At open enrollment.
- B.** A surviving dependent, as defined in R2-6-101, who wishes to continue enrollment in the health, dental, and vision insurance plans made available by the Department shall enroll within six months after the death that makes the surviving dependent eligible to continue enrollment.
- C.** A surviving spouse, as defined in R2-6-101, who wishes to continue enrollment in the health, dental, vision, or life insurance plans made available by the Department shall enroll within 31 days after the death of the incumbent or former elected official.
- D.** If a surviving spouse or surviving dependent of a deceased law enforcement officer killed in the line of duty was enrolled or enrolled in the health insurance program made available by the department or the health insurance program that is offered by the state retirement system or plan from which the surviving spouse or surviving dependent is receiving benefits at the time the law enforcement officer was killed in the line of duty or died from injuries suffered in the line of duty and is eligible to receive health insurance premium payments but is no longer enrolled in either health insurance program, the employer shall allow the surviving spouse and any surviving dependent to enroll in the employer's health insurance program to receive health insurance premium payments pursuant to § A.R.S. 38-1114.
- DE.** To be covered under the health or dental insurance plans made available by the Department, a retiree shall enroll at the time specified in subsection (A) and shall maintain enrollment in the health or dental insurance plan. If a retiree terminates participation in both the health and dental insurance plans made available by the Department, neither the retiree nor the retiree's eligible dependent is eligible to enroll at a later time.

R2-6-106. Effective Date of Coverage

- A.** If an individual enrolls in an insurance plan made available by the Department or provides notice of a qualified life event within the time specified in R2-6-105, the Department shall ensure that the insurance coverage becomes effective on the following dates:
1. Newly hired employee or officer. The date determined by the Director following submission of a properly completed enrollment form and supporting documentation;
 2. Retiree, former elected official, surviving dependent, or surviving spouse. The first day of the first pay period following the end of active coverage or the first day of the first month following submission of a properly completed enrollment form and supporting documentation, whichever is applicable;
 3. Qualified life event change other than a change in the number of dependents due to birth, adoption, legal placement for adoption, or grant of legal guardianship:
 - a. Non-university employee or officer. The first day of the first pay period following submission of a properly completed enrollment form and supporting documentation;
 - b. University employee. The date determined by the Director; and
 - c. Retiree, former elected official, surviving dependent, or surviving spouse. The first of the month following submission of a properly completed enrollment form and supporting documentation; and
 4. Change in the number of dependents due to birth, adoption, legal placement for adoption, or grant of legal guardianship. On the date of birth, adoption, legal placement for adoption, or grant of legal guardianship if a properly completed enrollment form and supporting documentation are submitted.
- B.** If a retiree, former elected official, eligible dependent, surviving dependent, or surviving spouse becomes eligible for Medicare, the retiree, former elected official, eligible dependent, surviving dependent, or surviving spouse may cancel or reduce coverage under the health plan made available by the Department. If a retiree, former elected official, eligible dependent, surviving dependent, or surviving spouse ceases to be eligible for Medicare, the retiree, former elected official, eligible dependent, surviving dependent, or surviving spouse may enroll or increase coverage under the health plan made available by the Department. A change made under this subsection becomes effective on the first day of the first month following submission of a properly completed enrollment form and supporting documentation if the enrollment form and supporting documentation are submitted within 31 days of the change in Medicare eligibility.
- C.** If a member experiences one of the following changes in coverage, the member may make a corresponding change to the member's coverage under the health plan made available by the Department by submitting a properly completed enrollment form and supporting documentation within 31 days of the change. A change made under this subsection becomes effective on the first day of the first pay period or first month, as applicable, following submission of a properly completed enrollment form and supporting documentation:
1. Elected coverage provided under the plan is significantly restricted or eliminated,
 2. Non-elected coverage provided under the plan is significantly improved,
 3. The member's spouse ~~or domestic partner~~ makes a change in the coverage provided by the spouse's ~~or domestic partner's~~ employer,
 4. The member or an eligible dependent loses coverage under another group health plan sponsored by a governmental or educational ~~institution entity~~, or
 5. The member becomes subject to a QMCSO or another person becomes subject to a QMCSO that requires the other person to provide health insurance for the member's eligible dependent.

R2-6-107. Termination of Coverage

- A.** Insurance coverage of an employee or officer and the employee's or officer's eligible dependent terminates at 11:59 p.m. on the last day of the period for which an insurance premium was paid if the employee or officer ceases to be eligible to participate in the insurance plan.
- B.** Insurance coverage of an eligible dependent terminates at 11:59 p.m. on the last day of the month that the individual is an eligible dependent under this Chapter.
- C.** Insurance coverage of a retiree or former elected official terminates:



1. Automatically if the retiree or former elected official dies, or
 2. At 11:59 p.m. on the last day of the period for which the last insurance premium was paid.
- D. Insurance coverage of a surviving dependent or surviving spouse terminates;
1. At 11:59 p.m. on the last day of the period for which the last insurance premium was paid; or
 2. Shall be in accordance with A.R.S. § 38-1114 for surviving spouse and dependents of a deceased law enforcement officer killed in the line of duty, including the termination of payments for health insurance premiums payable by the employer.
- E. Insurance coverage of a COBRA member terminates at 11:59 p.m. on the last day that the COBRA member is eligible for coverage under COBRA or of the period for which the last insurance premium was paid.
- F. By providing written notice to the Director at any time, an employee, officer, or former elected official, as applicable, may cease purchasing:
1. Supplemental life insurance in excess of \$35,000;
 2. Life insurance for an eligible dependent; or
 3. Short-term disability insurance.

R2-6-108. COBRA

- A. When a member or an insured eligible dependent ceases to be eligible to participate in the health, dental, or vision insurance plans made available by the Department because of a change in the work status of the member, the Director shall inform the member or eligible dependent of whether the member or eligible dependent is eligible for coverage under COBRA.
- B. When an insured eligible dependent of a member ceases to be eligible to participate in the health, dental, or vision insurance plans made available by the Department because the member dies or because of divorce, legal separation, ~~termination of domestic partnership~~, or ceasing to meet the criteria for a child, ~~older child, or disabled older child~~, the member or affected dependent shall provide written notice of the change to the Director within 60 days of the change. The Director shall inform the affected dependent whether the affected dependent is eligible for coverage under COBRA. The Department shall not make COBRA coverage available to an affected dependent if notice is not provided as specified in this subsection.
- C. When an employee or officer ceases to be eligible for a health care flexible spending account because of termination of status as an employee or officer, the Director shall inform the former employee or officer and all qualified beneficiaries of whether they are eligible for coverage under COBRA.
- D. The state shall not pay any of the cost for COBRA coverage. An individual who elects COBRA coverage shall pay all costs plus a small amount for administrative expenses.
- E. COBRA coverage is determined by federal law.

ARTICLE 2. INSURANCE PLANS

R2-6-204. Employee Flexible Benefit Plan

- A. The Director shall ensure that the premium paid by an employee or officer for participation in the insurance plans listed in R2-6-201(1) through (3) and for a maximum of \$35,000 in supplemental life insurance and the amount set aside in a flexible spending account reduces the employee's or officer's compensation as allowed by Section 125 of the Internal Revenue Code.
- B. The Director shall ensure that the premium paid by an employee or officer to enroll a ~~pre-tax~~ dependent in the insurance plans listed in R2-6-201(1) through (3) reduces the employee's or officer's compensation as allowed by Section 125 of the Internal Revenue Code.
- C. The Director shall ensure that the amount paid by the state to enable a ~~post-tax~~ dependent of an employee or officer to participate in the insurance plans listed in R2-6-201(1) through (3) increases the employee's or officer's compensation and is taxed as required by law.
- D. If an employee or officer experiences a qualified life event during a plan year that adds or deletes a ~~pre-tax or post-tax~~ dependent, the Director shall ensure that the compensation of the employee or officer is adjusted accordingly and taxed as required by law.
- E. The Director shall ensure that the method of adjusting an employee's or officer's compensation under this Section is not changed or canceled until the end of a plan year.

ARTICLE 3. ELIGIBILITY CRITERIA

R2-6-301. Eligibility to Participate in Health, Dental, and Vision Insurance Plans

- A. Employees, officers, and retirees. An employee, officer, or retiree may participate in the health, dental, and vision insurance plans made available by the Department by enrolling at the time specified in R2-6-105 and agreeing to pay the contracted cost of each insurance plan chosen.
- B. Former elected officials. A former elected official may participate in the health, dental, and vision insurance plans made available by the Department if the former elected official:
1. Has at least five years of credited service in the Elected Officials' Retirement Plan established at A.R.S. § 38- 802;
 2. Participated in a group health, dental, or vision insurance plan made available to elected officials at the time of leaving office;
 3. Served as an elected official on or after January 1, 1983;
 4. Enrolls at the time specified in R2-6-105; and
 5. Agrees to pay the contracted cost of the insurance plan.
- C. Eligible dependents. A member may enroll an eligible dependent in the health, dental, and vision insurance plans made available by the Department at the time specified in R2-6-105. The member who enrolls an eligible dependent shall pay the contracted cost of the insurance plan.
- D. Surviving dependents. A surviving dependent, as defined at R2-6-101, may continue coverage under the health, dental, and vision insurance plans made available by the Department by enrolling at the time specified in R2-6-105 and paying the contracted cost of the insurance plan.



- E. Surviving spouse. A surviving spouse, as defined at R2-6-101, may continue coverage under the health, dental, and vision insurance plans made available by the Department by enrolling at the time specified in R2-6-105 and paying the contracted cost of the insurance plan.
- F. Eligibility exception. An employee or officer who is on approved leave without pay and the enrolled eligible dependents of the employee or officer may continue enrollment in the health, dental, and vision insurance plans made available by the Department under the conditions specified in R2-5A-C602.
 - ~~1. R2-5-405 if the employee or officer is on approved leave without pay because of an industrial illness or injury,~~
 - ~~2. R2-5-413 if the employee or officer is on approved medical leave without pay, and~~
 - ~~3. R2-5-414 if the employee or officer is on approved leave without pay for another reason.~~
- G. Coverage of a newborn infant.
 - 1. The state shall provide health insurance to an infant born to a member or the member's spouse from the time the infant is born until the infant reaches its 31st day. To ensure that the infant continues to have health insurance coverage, the member shall enroll the infant in the health insurance plan made available by the Department before the infant reaches its 31st day.
 - 2. In compliance with the Newborns' and Mothers' Health Protection Act of 1996, the state shall provide health insurance to an infant born to a member's eligible dependent other than the member's spouse. As permitted under the Newborns' and Mothers' Health Protection Act of 1996, the state shall limit health insurance provided under this subsection to 48 hours for a vaginal delivery and 96 hours for delivery by cesarean section. A member who wishes to obtain health insurance for the infant beyond the time required under the Newborns' and Mothers' Health Protection Act of 1996, may enroll the infant in the health insurance plan made available by the Department if the infant is eligible.

R2-6-302. Eligibility to Participate in Life and Short-term Disability Insurance Plans

- A. Employees and officers.
 - 1. Life insurance. An employee or officer may participate in the life and short-term disability insurance plans made available by the Department by enrolling at the time specified in R2-6-105. The state shall provide basic life insurance to an employee or officer at no charge.
 - 2. Short-term disability insurance. An employee or officer who chooses to participate in the short-term disability insurance plan made available by the Department shall agree to pay the contracted cost of the plan.
 - 3. Supplemental life insurance. The state shall make supplemental life insurance available to an employee or officer. An employee or officer may purchase an amount of supplemental life insurance that, ~~when combined with basic life insurance,~~ does not exceed three times the employee's or officer's base pay, rounded down to the nearest \$5,000 or the maximum amount established by the Director, whichever is less. An employee or officer who chooses to participate in the supplemental life insurance plan shall agree to pay the contracted cost for the supplemental life insurance.
- B. Former elected officials. A former elected official may purchase life insurance made available by the Department if the former elected official meets the criteria at R2-6-301(B)(1) and (3).
- C. Eligible dependents. An employee, officer, or former elected official who meets the criteria at R2-6-301(B)(1) and (3) may purchase life insurance through the plan made available by the Department for an eligible dependent in an amount determined by the Director. An employee, officer, or former elected official who chooses to purchase life insurance for an eligible dependent shall agree to pay the contracted cost for the life insurance.
- D. Surviving spouse of a former elected official. Under A.R.S. § 38-651.02(C), the surviving spouse of a former elected official who met the criteria at R2-6-301(B)(1) and (3) at the time of death may continue to purchase life insurance through the plan made available by the Department if the surviving spouse:
 - 1. Makes application within the time specified in R2-6-105,
 - 2. Agrees to pay the contracted cost for the life insurance, and
 - 3. Is receiving a monthly survivor's retirement check from the Elected Officials' Retirement Plan.

R2-6-303. Audit of Dependent Eligibility

- A. A member shall not enroll an individual in an insurance plan made available by the Department unless the individual is an eligible dependent as defined in R2-6-101.
- B. The Department shall conduct audits to determine whether individuals enrolled by members in an insurance plan made available by the Department are eligible dependents. The Department shall choose a particular member for audit either randomly or in response to uncertainty concerning dependent eligibility.
- C. If a member is chosen for audit, the Department shall provide the member with written notice and 60 days in which to produce evidence that an individual enrolled by the member in an insurance plan made available by the Department is an eligible dependent. The Director may extend the 60-day requirement in an individual case. Evidence of dependent eligibility may include one or more of the following:
 - 1. Marriage certificate,
 - 2. Birth certificate,
 - ~~3. Documentation of lawful presence in the U.S.,~~
 - ~~4. Documentation of sharing a permanent residence and financial interdependence as described in R2-6-101(19),~~
 - ~~53.~~ Receipts for insurance payments made while on leave without pay,
 - ~~64.~~ Court order regarding adoption or placement for adoption,
 - ~~75.~~ Court order regarding guardianship,
 - ~~86.~~ Documentation of foster-child placement,
 - ~~97.~~ Tax return,
 - ~~10.~~ ~~School registration form or transcript,~~
 - ~~118.~~ Declaration of disability from the Social Security Administration,
 - ~~129.~~ Documentation of Arizona residence, or



~~43~~10. Other documentation acceptable to the Director.

- D. If a member chosen for audit fails to produce evidence of dependent eligibility within the time specified in subsection (C), the Department shall:
1. Upon providing advance notice of at least 30 days to the member. Terminate terminate insurance coverage of the individual whose eligibility was not proven;
 2. Require that the member reimburse the Department for all premiums and claims paid since October 1, 2004, on behalf of the individual whose eligibility was not proven; and
 3. Report an employee or officer who misrepresented dependent eligibility to the employee's or officer's agency for possible disciplinary action.



NOTICES OF FINAL RULEMAKING

This section of the *Arizona Administrative Register* contains Notices of Final Rulemaking. Final rules have been through the regular rulemaking process as defined in the Administrative Procedures Act. These rules were either approved by the Governor's Regulatory Review Council or the Attorney General's Office. Certificates of Approval are on file with the Office.

The final published notice includes a preamble and

text of the rules as filed by the agency. Economic Impact Statements are not published.

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the final rules should be addressed to the agency that promulgated them. Refer to Item #5 to contact the person charged with the rulemaking. The codified version of these rules will be published in the Arizona Administrative Code.

NOTICE OF FINAL RULEMAKING TITLE 18. ENVIRONMENTAL QUALITY CHAPTER 2. DEPARTMENT OF ENVIRONMENTAL QUALITY AIR POLLUTION CONTROL

[R17-10]

PREAMBLE

<u>1. Article, Part, or Section Affected (as applicable)</u>	<u>Rulemaking Action</u>
R18-2-101	Amend
R18-2-102	Amend
R18-2-201	Amend
R18-2-203	Amend
R18-2-217	Amend
R18-2-218	Amend
R18-2-301	Amend
R18-2-302	Amend
R18-2-302.01	Amend
R18-2-303	Amend
R18-2-304	Amend
R18-2-306	Amend
R18-2-306.01	Amend
R18-2-307	Amend
R18-2-311	Amend
R18-2-312	Amend
R18-2-319	Amend
R18-2-320	Amend
R18-2-324	Amend
R18-2-326	Amend
R18-2-327	Amend
R18-2-330	Amend
R18-2-332	Amend
R18-2-334	Amend
R18-2-401	Amend
R18-2-402	Amend
R18-2-403	Amend
R18-2-404	Amend
R18-2-405	Amend
R18-2-406	Amend
R18-2-407	Amend
R18-2-408	Amend
R18-2-410	Amend
R18-2-411	New Section
R18-2-412	Amend
R18-2-502	Amend
R18-2-503	Amend
R18-2-504	Amend
R18-2-507	Repeal
R18-2-508	Repeal
R18-2-512	Amend
R18-2-513	Amend
R18-2-514	New Section
R18-2-515	New Section



R18-2-1205
Appendix 1

Amend
Repeal

2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statutes: A.R.S. §§ 49-104(A)(1) and (A)(10); 49-425(A)

Implementing statutes: A.R.S. § 49-426

3. The effective date of the rules:

March 21, 2017

4. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the final rule:

Notice of Rulemaking Docket Opening: 21 A.A.R. 3173, December 11, 2015

Notice of Proposed Rulemaking: 22 A.A.R. 2431, September 9, 2016

5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Steve Burr

Address: Arizona Department of Environmental Quality
1110 W. Washington Ave.
Phoenix, AZ 85007

Telephone: (602) 771-4251 (This number may be reached in-state by dialing 1-800-234-5677 and entering the seven digit number.)

Fax: (602) 771-2366

E-mail: burr.steve@azdeq.gov

6. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:

Summary.

The purpose of this rulemaking is to remedy deficiencies identified by the Environmental Protection Agency (EPA) in Arizona's new source review (NSR) rules. This rulemaking action is required to secure approval of Arizona's NSR rules into the state implementation plan (SIP) and avoid sanctions and imposition of a federal implementation plan (FIP) under the federal Clean Air Act (CAA).

On November 2, 2015 the EPA Region 9 Administrator published a notice of final rulemaking issuing limited approval/limited disapproval (LA/LD) of the October 29, 2012 Arizona SIP revision designed to update the rules included in the SIP and to bring the state's NSR program into full compliance with federal requirements. The final LA/LD triggered a statutory deadline under the CAA to submit and obtain full approval of the state's NSR program. The Arizona Department of Environmental Quality (ADEQ) has eighteen months to remedy the deficiencies relating to NSR for nonattainment areas to obtain full approval or face sanctions. If ADEQ fails to remedy all of the deficiencies within 24 months, EPA will be obligated to impose a FIP addressing any remaining deficiencies.

ADEQ is revising Arizona's NSR rules to address the deficiencies and create a program that complies with federal requirements and protect the national ambient air quality standards (NAAQS).

Background.

Clean Air Act New Source Review Requirements

Under section 110(a)(1) of the Clean Air Act (Act or CAA) each state is obligated to submit a "plan which provides for implementation, maintenance and enforcement of" the NAAQS. The Act goes on to require SIPs to:

Include a program to provide for the . . . regulation of the modification and construction of any stationary source within the areas covered by the plan as necessary to assure that national ambient air quality standards are achieved, including a permit program as required in parts C and D of [Title I of the CAA].

State and federal regulations adopted under this section are commonly referred to as "new source review" programs because they apply to newly constructed and modified, as opposed to existing, sources. The CAA divides NSR requirements into those that apply to attainment areas (Part C requirements) and those that apply to nonattainment areas (Part D requirements).

Part C of Title I of the CAA establishes the NSR requirements for major sources that are constructed or modified in areas that have attained the NAAQS for one or more criteria pollutants (ozone, carbon monoxide, nitrogen dioxide, sulfur dioxide, PM₁₀, PM_{2.5}, and lead). Sources that belong to the list of categories set forth in section 169(1) of the CAA (referred to as "categorical sources" in the ADEQ rules) are major if they emit or have the potential to emit 100 tons per year (tpy) or more of a regulated air pollutant. All other sources are major if they have the potential to emit 250 tpy or more of a regulated air pollutant.

The NSR program under Part C is known as "Prevention of Significant Deterioration" (PSD), because its purpose is to prevent air quality in attainment areas from deteriorating to the levels of the NAAQS. See CAA § 160. PSD establishes, or requires EPA to establish, maximum allowable increases, known as "increments," over existing concentrations of criteria pollutants and requires permit applicants subject to PSD to demonstrate that a new source or modification's emissions will not result in a violation of the increments or the NAAQS. In addition, PSD requires the installation of the best available control technology (BACT) when constructing or modifying a source.

Part D of Title I establishes NSR requirements for major sources and modifications in nonattainment areas and is known as "Nonattainment New Source Review" (NNSR). Under Subpart 1 of Part D, a major source is defined as any source that emits, or has the potential to emit, 100 tpy or more of a pollutant for which the area has been designated nonattainment. Subpart 2 of Part D estab-



lishes lower major source thresholds for certain ozone, carbon monoxide, PM₁₀, and PM_{2.5} nonattainment areas.

Permit applicants subject to NNSR requirements under Part D must demonstrate that a major source or modification will comply with the lowest achievable emission rate (LAER) and that reductions in emissions from the same source or other sources will offset any emissions increases from the new or modified source.

In addition to requiring compliance with the specific major NSR requirement of Parts C and D, section 110(a)(2)(C) requires “regulation of the modification and construction of *any* stationary source within the areas covered by the plan *as necessary to assure that national ambient air quality standards are achieved.*” (Emphasis added.) EPA refers to 110(a)(2)(C) programs that apply to non-major sources and to minor modifications as “minor NSR.” 76 FR 38748, 38752 (July 1, 2011).

EPA NSR Regulations

EPA has promulgated regulations establishing the elements a state program must contain to satisfy section 110(a)(2)(C) at 40 CFR 51, Subpart I, Sections 51.160-51.166. NNSR requirements are found in section 51.165 and PSD requirements are found in section 51.166. These rules are highly detailed and prescriptive. States seeking approval of major NSR programs (both NNSR and PSD) must either strictly conform to the requirements in the federal rules or demonstrate that any deviations are at least as stringent.

Both sections 51.165 and 51.166 limit the applicability of major NSR to the construction of new major source or a “major modification” of a major source. A major modification is defined as physical or operational change that will result in both a significant increase and a significant *net* increase in the emissions of a regulated NSR pollutant.

For criteria pollutants and their precursors, “significant” is defined as:

Carbon monoxide	100 tpy
Nitrogen oxides	40 tpy
Sulfur dioxide	40 tpy
Ozone	40 tpy of volatile organic compounds or nitrogen oxides
Lead	0.6 tpy
PM ₁₀	15 tpy
PM _{2.5}	10 tpy of direct PM _{2.5} emissions; 40 tpy of sulfur dioxide emissions; 40 tpy of nitrogen oxides emissions; 40 tpy of volatile organic compound emissions in ozone nonattainment areas.

The Act and the implementing regulations at 40 CFR 51.160 through 51.164 provide states broad discretion to develop minor NSR programs designed to assure the NAAQS are achieved. EPA has noted that the “Federal regulations for minor source programs are considerably less detailed than the requirements for major sources.” 71 FR 48696, 48700 (August 21, 2006). Under the minor NSR regulations, a state program must contain “legally enforceable procedures” to prevent the construction or modification of a minor source if it will “result in a violation of applicable portions of the control strategy” for compliance with the NAAQS or “interfere with the attainment or maintenance of a [NAAQS].” 40 CFR 51.160.

A minor NSR program need not apply to all new and modified sources, but it must “identify types and sizes of facilities, buildings, structures, or installations which will be subject to” minor NSR and “discuss the basis for determining which facilities will be subject to review.” 40 CFR 51.161(e). As EPA has noted:

Applicability thresholds are proper in [a minor NSR program] provided that the sources and modifications with emissions below the thresholds are inconsequential to attainment and maintenance of the NAAQS.

71 FR at 48701.

A minor NSR program must allow a minimum 30-day period to comment on the applicant’s application and the agency’s proposed decision. 40 CFR 51.161.

Arizona’s Previous NSR Rulemaking and SIP Revision

On July 6, 2012, ADEQ adopted comprehensive amendments (the “2012 NSR Amendments”) to its preconstruction review and permitting programs for stationary sources. On October 29, 2012, ADEQ submitted these amendments, existing rules not yet approved into the SIP and supporting materials as a SIP revision to EPA. The revision was intended to bring Arizona’s SIP into full compliance with PSD major NSR, major NNSR and minor NSR requirements.

On June 29, 2015, the Regional Administrator for EPA Region 9 signed a limited approval/limited disapproval (LA/LD) of the 2012 SIP Revision. EPA determined that the revisions generally strengthened the state’s NSR program by clarifying and enhancing requirements for major and minor stationary sources. However, EPA ultimately determined that the submittal did not satisfy all applicable CAA and NSR regulatory requirements. Shortly after signature of the LA/LD, ADEQ began working with EPA and stakeholders on amendments to the NSR rules that would remedy the identified deficiencies and create an approvable program.

The LA/LD was published in the Federal Register on November 2, 2015 with an effective date of December 2, 2015. Supporting materials for the LA/LD, including EPA’s March 2015 Technical Support Document (LA/LD TSD) providing a detailed analysis of Arizona’s submittal, can be found in the docket for the rulemaking at regulations.gov under docket number EPA-R09-OAR-2015-0187.

CAA Sanctions

Under the CAA and federal regulations, if EPA disapproves any element of a plan submitted under Title I, Part D of the CAA relating to nonattainment areas, and the plan deficiencies are not corrected within 18 months after the effective date of the disapproval,



major sources subject to NNSR will have to offset emissions increases at a ratio of 2 to 1. 42 USC §7509(a)(b)(2); 40 CFR § 52.31(d)(1). If the deficiencies remain uncorrected for an additional six months, the state loses federal highway funds. 42 USC § 7509(a), (b)(1); 40 CFR § 52.31(d)(1). If imposed, the sanctions will apply to nonattainment areas under ADEQ's jurisdiction and the pollutants covered by the plan and will remain in effect until EPA finds that a revised plan corrects the deficiencies. 40 CFR § 52.31(b)(3),(d)(2), (5).

NNSR is a required element of a Part D plan. The LA/LD identified some deficiencies in ADEQ's NNSR program. Thus, ADEQ must submit a revised plan and secure an EPA finding that the submission corrects the NNSR deficiencies by June 2, 2017 (18 months after December 2, 2015) in order to avoid sanctions.

In addition, EPA is required to adopt a federal implementation plan (FIP) within twenty-four months following the disapproval of *any* SIP if the deficiencies are not corrected and approved by the EPA. 42 U.S.C. § 7410(c). ADEQ therefore must correct *all* deficiencies identified in the LA/LD in order to avoid a FIP.

Changes to Address NSR Deficiencies

The primary purpose of this rulemaking is to cure the deficiencies identified in the LA/LD and otherwise ensure Arizona's NSR program conforms to federal requirements and qualifies for full approval by EPA. The following is a description of the most significant changes designed to accomplish those purposes:

New NAAQS and NAAQS Implementation Requirements

This rulemaking makes a number of changes related to the NAAQS and NAAQS implementation to conform to recent federal updates and existing federal requirements.

First, on January 15, 2013, EPA revised the PM_{2.5} NAAQS to reduce the annual primary standard from 15 µg/m³ to 12 µg/m³. Because this revision occurred after adoption of the 2012 NSR Amendments, it was not included in ADEQ's rules, and EPA identified the failure to incorporate the latest version of the NAAQS as a deficiency. ADEQ is therefore amending R18-2-201(B) to reflect the latest standard.

Second, on October 1, 2015, EPA reduced the 8-hour ozone standard from 75 to 70 parts per billion. Because this change occurred after the LA/LD was signed, the LA/LD did not identify the failure to incorporate the new standard as a deficiency. Nevertheless, in order to avoid the identification of a new deficiency in ADEQ's next NSR submittal, ADEQ is amending R18-2-203 to incorporate the new ozone standard.

Third, at the time of adoption of the 2012 NSR Amendments, EPA's rules did not require regulation of volatile organic compounds (VOCs) or ammonia as precursors of PM_{2.5} in NNSR programs for PM_{2.5} nonattainment areas. Consistent with EPA's regulations, Arizona's current NSR rules do not include VOCs or ammonia in the definition of PM_{2.5} precursors. *See* R18-2-101(121)(b). In 2013, however, the United States Court of Appeals for the D.C. Circuit held that Title I, Part D, Subpart 4, which imposes specific requirements for PM₁₀ nonattainment areas, applies to PM_{2.5} as well as PM₁₀ nonattainment areas. *NRDC v. EPA*, 706 F.3d 428 (D.C. Cir. 2013). In particular, the court noted that under section 189(e) of Part D, Subpart 4, control requirements must apply to major sources of *all* identified precursors of PM_{2.5} (sulfur dioxide, nitrogen oxides, volatile organic compounds and ammonia), *unless* EPA has determined that the sources of a precursor do not contribute to levels exceeding the NAAQS in a particular nonattainment area.

In the LA/LD TSD, EPA noted that Arizona's NSR SIP did not include VOCs or ammonia as precursors but failed to demonstrate that those pollutants do not contribute to levels exceeding the NAAQS in PM_{2.5} nonattainment areas, as required by section 189(e). At that time, EPA declined to identify the omission of PM_{2.5} precursors as a deficiency. On June 22, 2016, however, EPA published a final "limited disapproval of the ADEQ NSR SIP submittal for the Nogales and West Central Pinal PM_{2.5} nonattainment areas under section 189(e) of the Act related to PM_{2.5} precursors." 81 FR 40525, 40526. ADEQ is therefore adding VOCs and ammonia to the list of precursors of PM_{2.5} in PM_{2.5} nonattainment areas.

Fourth, as noted in the LA/LD, Arizona's existing minor NSR and PSD programs do not clearly require review for protection of the NAAQS in neighboring areas outside of the state's jurisdiction. ADEQ is adding this requirement to R18-2-302.01, R18-2-334 and R18-2-406.

Amendments Clarifying NSR Definitions and Applicability

EPA's NNSR and PSD rules are in separate sections of the CFR, 40 CFR 51.165 and 51.166, each of which has its own definitions. In some cases, these sections have different definitions for the same term. A particularly important example is the definition of "regulated NSR pollutant," which establishes the list of pollutants potentially subject to major NSR. In the NNSR rule, the term encompasses only criteria pollutants and their precursors, 40 CFR 51.165(a)(1)(xxvii), while in the PSD rule, the term includes criteria pollutants, precursors, plus any other pollutants, other than hazardous air pollutants, subject to regulation under the CAA. 40 CFR 51.166(b)(49).

Arizona's major NSR requirements, on the other hand, are set forth in a single Article—Article 4 of Title 18, Chapter 2. A single set of definitions in R18-2-101 and R18-2-401 applies to both programs. As a result, the current version of the state NSR rules employs identical definitions in both programs. In the case of "regulated NSR pollutant," for example, the Arizona rules use the PSD definition for both PSD and NNSR.

The LA/LD identified as deficiencies instances where the use of the wrong definition made Arizona's program less stringent than the federal rules. ADEQ has identified a number of other instances where the discrepancies between the federal and state rules made the state rules more stringent. Because state rules can be no more stringent than their federal counterparts, *see* A.R.S. § 49-104(A)(17), ADEQ must eliminate both types of discrepancies.

ADEQ could attempt to do so by following the federal model and dividing the PSD and NNSR rules into separate parts or subparts



with separate definition sections. This approach, however, would involve a substantial reorganization of both Article 4 and the chapter-wide definitions in R18-2-101. Instead, ADEQ where necessary has modified each definition to reflect the differences between the PSD and NNSR programs. Specifically, ADEQ is adopting amendments to the definitions in (after renumbering) R18-2-101(74), (88), (124), and (131) and R18-2-401(13) with corresponding amendments to the substantive provisions where these definitions are employed.

The LA/LD also identified a number instances where ADEQ's NSR rules did not use consistent terminology when referring to key requirements of the NSR program, such as the NAAQS, increments, new source performance standards and national emission standards for hazardous air pollutants. ADEQ is adopting amendments to assure that the rules employ consistent, defined terminology for these requirements.

Finally, the LA/LD identified a few ADEQ definitions that did not match the corresponding federal definitions in 40 CFR 51.165(a)(1) and 51.166(b). ADEQ is amending those definitions to conform. See, for example, R18-2-101(2), (13) and (36).

Missing Federal Exemptions

The LA/LD pointed out that state rules did not include a number of exemptions from the federal PSD program. Although EPA did not identify these omissions as deficiencies, ADEQ is adding the missing exemptions to the state PSD requirements in R18-2-406 in order to comply with A.R.S. § 49-104(A)(17).

Public Participation

Under the existing rules, a source subject to minor NSR is eligible to apply for a minor permit revision, and thus avoid public notice and comment, if one of two conditions are met: (1) all emissions units subject to reasonably available control technology (RACT) qualify for the RACT safe harbor provision in R18-2-334(D)(2) or (2) expected ambient concentrations resulting from the source's emissions as predicted by a screening model are less than 75 percent of the NAAQS. The LA/LD concluded that this exception to the public participation requirements is inconsistent with 40 CFR 51.161(a). ADEQ is therefore removing the exception.

The LA/LD identified a number of other technical deficiencies with the Arizona NSR rules' public participation requirements, and ADEQ is adopting amendments to address these as well.

Registration Contents

EPA expressed concern that the state's source registration program isn't adequate to ensure that construction of a source would not result in a violation of applicable portions of the control strategy. This rulemaking addresses the issue in R18-2-302.01 by specifically requiring enforceable emission limitations and standards that ensure compliance with all applicable SIP requirements at the time of a registration's issuance.

Technical Changes

In addition to the issues identified above, the LA/LD identified a number of technical issues that ADEQ had to address in order to secure full approval of the NSR program. These issues are discussed in detail in EPA's "Technical Support Document for Revisions to Air Plan; Arizona; Stationary Sources; New Source Review" and "Evaluation of Arizona NSR Rules and 40 CFR 51.160-166 – Excel Spreadsheet," both of which are available in the electronic docket for the LA/LD at <http://www.regulations.gov/#!document-Detail;D=EPA-R09-OAR-2015-0187-0004>.

Emissions Bank Offset Deduction

In a change related to NSR but not raised in the LA/LD, ADEQ is amending R18-2-1205 of the emission banking regulation to remove the requirement that credits deposited in the bank be reduced by 10 percent and permanently retired.

The primary purpose of the emissions bank is to provide a method for making offsets readily available in nonattainment areas in order to allow compliance with NNSR. The 10 percent reduction requirement is inconsistent with this purpose. Depositing credits for emissions reductions in the bank is not required in order to establish valid offsets under state or federal NNSR rules. *See, generally*, R18-2-404. Thus, the reduction requirement creates a significant disincentive to use the bank for its intended purpose. In addition, the reduction requirement is not authorized by the emissions bank statute, R18-2-410, nor is it required by federal NNSR rules.

Revisions to General Permit Rules

Under A.R.S. § 49-426(H), ADEQ is authorized to issue a general permit for "a defined class of facilities if the class contains a large number of facilities that are substantially similar in nature and that have substantially similar emissions." The issuance of a general permit is subject to the same public participation requirements as permits for individual sources. Once a general permit is issued, any source that is a member of the class of facilities covered by the permit may apply for and receive authority to operate without going through a separate public notice and comment process.

ADEQ is adopting two types of NSR-related amendments to Article 5.

First, ADEQ is amending Article 5 to clarify how minor NSR applies to the issuance of general permits. Since before the adoption of R18-2-334, ADEQ's practice has been to establish general permit conditions and application procedures which assure that a covered source's emissions will not endanger the NAAQS. Thus, general permits previously issued by ADEQ assure that the purpose of minor NSR, preventing the construction of sources or modification that could interfere with attainment of the NAAQS. Section R18-2-515 codifies this practice and also allows for the imposition of RACT in general permits.

Second, ADEQ has established web portal known as "MyDEQ," which, among other things, allows certain facilities covered by general permits to conduct all general-permit related transactions, including applying for and obtaining coverage, online. The MyDEQ procedures are consistent with existing Article 5 requirements, but ADEQ is adopting amendments to reflect the availability of the portal. Among other things, the portal allows online processing of applications for facilities subject to, or potentially subject to, minor NSR. As noted above, existing general permits assure compliance with minor NSR requirements, and new R18-



2-515 assures that future general permits will continue to do so.

Revisions to Streamline Permitting

This rulemaking includes three revisions that improve and streamline the permitting process for both new and modified sources subject to NSR and existing sources.

The first streamlining action repeals Appendix 1, which contains the standard permit application form and filing instructions that were developed nearly two decades ago. The form was unnecessarily complex, redundant, and failed to reflect the scope of information ADEQ currently uses in the permitting process. This rulemaking amends R18-2-304(B) (Permit Application Processing Procedures) to require applicants to complete forms provided by the Director when applying for a permit. The rule identifies certain minimum elements that each application form developed by the Director must include to ensure the appropriate information is included and all permits conform to federal requirements. Repealing Appendix 1 and amending the rule is necessary to allow ADEQ to periodically update and revise the permit forms when appropriate without the burden of rulemaking.

The second permit streamlining amendment tailors deviation reporting obligations for permittees to avoid duplicative and unnecessary reporting. Sources subject to those requirements previously encountered issues when interpreting the language of R18-2-306(A)(5)(b) because the key term “prompt” was undefined but dictated when reporting should occur. This action revises the rule to more clearly define the timeframe for satisfying deviation reporting requirements.

The third permit streamlining revision extends the deadline for performance testing when events occur that are beyond a source’s control. EPA’s new source performance standards and national emissions standards for hazardous air pollutants program both allow sources to request an extension of a performance test under such circumstances. ADEQ has added a similar provision to R18-2-312 to afford similar relief in certain circumstances.

Section by Section Explanation of Amended Rules:

R18-2-101	Add and amend definitions used in major and minor NSR programs, as well as definitions used in related permit rules. Add definitions identifying federal terms and programs referenced in the rules.
R18-2-102	Add information on the publication and location of the Code of Federal Regulations.
R18-2-201	Amend to reflect 2012 PM _{2.5} NAAQS.
R18-2-203	Amend to reflect 2015 Ozone NAAQS.
R18-2-217	Amend the language to conform to federal requirements for designating and classifying attainment areas.
R18-2-218	Amend language to include baseline date and area information to conform to federal requirements. Add PM _{2.5} consideration when determining concentrations of particulate matter for purposes of maximum allowable increases.
R18-2-301	Add and amend definitions to provide greater clarify for terms used in registration and permit rules.
R18-2-302	Amend by removing reference to unenforceable state hazardous air pollutant program, correct cross references, and update language.
R18-2-302.01	Add new notice requirements for minor NSR registration, as well as general update to language and cross references. Amend elective limits to address EPA’s concern with enforceability.
R18-2-303	Update applicability to include only new sources or modifications that occur after the effective date of EPA’s 2015 limited approval limited disapproval.
R18-2-304	Amend to streamline the permit application process by requiring applicants to complete a standard application form and detailing the minimum information ADEQ must include in those forms. Amend to address EPA objection to the exclusion of insignificant activities from determinations of NSR applicability.
R18-2-306	Amend to streamline permit contents by providing a more definitive timeframe for deviation reporting.
R18-2-306.01	Update cross reference.
R18-2-306.02	Amend language to conform to defined terms and remove unnecessary cross reference.
R18-2-307	Amend to update cross references.
R18-2-311	Amend to allow use of approved alternative methods to determine opacity.
R18-2-312	Amended to allow extension of deadline to conduct performance tests on occurrence of force majeure events.
R18-2-319	Amend to require public notice for all minor NSR modifications by removing the exception that those subject to R18-2-334(G) could comply under the minor permit revision procedures.
R18-2-320	Amend to remove public notice exemption for any significant permit revision as required by the EPA and replace ambiguous language with defined terms.
R18-2-324	Repeal requirement for lessors of portable equipment to obtain a permit.
R18-2-326	Update cross reference and replace cross reference with explanatory language.
R18-2-327	Update cross reference.
R18-2-330	Amend public notice rules to comply with federal requirements and update cross reference.
R18-2-332	Reorganize for better rule formatting and update cross references.
R18-2-334	Update language to comply with federal requirements and removed portion disapproved by the EPA.



R18-2-401	Amend and add definitions to comply with federal requirements
R18-2-402	Amend permit issuing procedures to reflect federal requirements and address EPA objections. Update cross references.
R18-2-403	Amend to comply with federal requirements providing for EPA oversight in permitting activities.
R18-2-404	Amend to comply with federal requirements and allow for the emissions of NOx and VOC to offset Ozone.
R18-2-405	Amend to comply with the federal requirements.
R18-2-406	Amend to comply with federal requirements. Reorganize to better distinguish the differences in NSR requirements for attainment and nonattainment areas.
R18-2-407	Amend to comply with federal requirements.
R18-2-408	Amend to comply with federal requirements and update references.
R18-2-410	Amend to comply with federal requirements. Reorganize where and relocate all visibility requirements previously in other locations to this section.
R18-2-411	Add new section with federal requirements addressing sources located in an attainment area's impact on NAAQS violations in another area.
R18-2-412	Amend to comply with federal requirements.
R18-2-502	Amend to eliminate outdated minor NSR provision.
R18-2-503	Amend to reflect MyDEQ procedures.
R18-2-504	Amend to add minor NSR public participation requirements.
R18-2-507	Repeal to reflect unenforceability of referenced Article 17.
R18-2-508	Repeal outdated permit shield provision.
R18-2-512	Amend to reflect MyDEQ procedures.
R18-2-513	Amend to reflect MyDEQ procedures.
R18-2-514	Added to reflect MyDEQ procedures.
R18-2-515	Added to clarify minor NSR procedures for general permits.
R18-2-1205	Amend to remove deduction of ten percent of emissions reductions deposited in emissions bank.

7. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

Not applicable

8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

9. A summary of the economic, small business, and consumer impact:

The following discussion addresses each of the elements required for an economic, small business and consumer impact statement (ESBCIS) under A.R.S. § 41-1055.

An identification of the rule making.

The rulemaking addressed by this ESBCIS is the adoption of amendments designed to bring ADEQ's new source review (NSR) rules into conformance with federal requirements. This rulemaking will remedy the deficiencies identified by EPA in the LA/LD and generally bring Arizona's NSR program into conformity with federal requirements. The changes are described in greater detail in section 5 of the preamble.

There are two updates to the national ambient air quality standards that EPA has adopted since ADEQ last amended Article 2 that are included in this rulemaking and may need to be addressed in NSR applications and permitting decisions. The first is the PM_{2.5} primary ambient air quality standard, which was amended by EPA in 2012 and appears at R18-2-201. The second is the ozone eight-hour average primary and secondary ambient air quality standard and the removal of the ozone one-hour standard, which was amended by EPA in 2015 and appears at R18-2-203. These changes may result in increased compliance cost for sources and increased administrative costs for ADEQ.

The remainder of the changes are procedural or technical in nature and should have at most a trivial economic impact on the agency, businesses or consumers.

An identification of the persons who will be directly affected by, bear the costs of or directly benefit from the rule making.

The persons that will be directly affected by and bear the costs of the rulemaking will be businesses that construct or modify stationary sources that are subject to major or minor NSR.

The types of Arizona business operations subject to major NSR typically include Portland cement plants, iron and steel mills, primary copper smelters, hard-rock mining operations, petroleum refineries, lime plants, fiberglass production facilities, wood furniture manufacturers, paper mills and fossil-fuel power plants. Major sources tend to be large facilities operated by publicly owned corporations and employing hundreds or thousands of employees.



Major sources may also be subject to minor NSR. Minor NSR may apply to smaller business operations or operations that, although substantial in scale, tend to have emissions below the major source thresholds. These include rock quarrying and crushing operations, concrete batch plants, asphalt plants, semiconductor manufacturers, aircraft engine and parts manufacturers, landfills and petroleum bulk stations and terminals.

The above list is not exhaustive. Any business that engages in pollutant emitting activities is potentially subject to NSR. Typically pollutant-emitting activities include fuel combustion to produce energy or as part of a process, the use of solvents, the application of surface coatings (such as paints and varnishes), the storage of fuels and other organic liquids and the handling of materials likely to give rise to airborne dust. Tailpipe emissions from mobile sources are not considered in determining NSR applicability.

A cost benefit analysis of the following:

(a) The probable costs and benefits to the implementing agency and other agencies directly affected by the implementation and enforcement of the rule making.

ADEQ's cost of implementing the amended NSR requirements will likely be minimal. One component of the major NSR amendments that could potentially impact ADEQ's cost of administering the air quality permit program is the inclusion of the new national ambient air quality standards: the 2012 PM_{2.5} standard and the 2015 eight-hour primary and secondary ozone standard. However, the standards constitute an increase in the stringency of existing standards and likely will not result in any modeling or review time beyond that which is already required.

(b) The probable costs and benefits to a political subdivision of this state directly affected by the implementation and enforcement of the rule making.

The costs to political subdivisions subject to permitting under ADEQ's rules from these proposed amendments should be minimal. In general, the types of sources operated by political subdivisions are very unlikely to be subject to major NSR. The costs of the procedural and technical changes to minor NSR and the registration program proposed in this rulemaking are likely to be minimal. ADEQ considers any impacts to sources in counties with their own pollution control programs to be indirect.

(c) The probable costs and benefits to businesses directly affected by the rule making, including any anticipated effect on the revenues or payroll expenditures of employers who are subject to the rule making.

As discussed in section 5 of the Preamble, the amendments to ADEQ's major NSR rules are necessary to comply with federal requirements for the program. If ADEQ failed to adopt these amendments, they would ultimately apply to sources in Arizona either through the adoption of a federal implementation plan (FIP) or the application of 40 CFR Part 51, Appendix S (in the case of nonattainment NSR). In addition, Title I, Part D of the Clean Air Act imposes a limited time from for ADEQ to adopt the major NSR amendments. Failure to meet the statutory timeframe will result in sanctions by the federal government, as described above.

Thus, failure to adopt these amendments would not in the long run result in the avoidance of any costs of compliance, but would result in a substantial negative impact on the state's economy.

In any case, the only substantial cost to businesses that could result from this rulemaking would be the cost to new or modified major sources of complying with the updated ozone and PM_{2.5} NAAQS. As noted in the 2012 rulemaking, these costs are impossible to quantify but unlikely to be incurred:

[W]hen modeling demonstrates an ambient impact resulting in non-compliance with an ambient standard (NAAQS or increments), mitigation beyond the level of control technology already required by major NSR is necessary. The cost of mitigation can be substantial but is highly dependent on the nature of the particular project and cannot be reliably estimated for purposes of the ESBCIS. Moreover, because major NSR automatically requires a very stringent level of control (BACT or LAER), mitigation is rarely necessary. Mitigation necessary to address non-compliance with any of the new standards imposed in the major NSR amendments will be an even rarer occurrence. Thus, the major NSR amendments are unlikely to result in additional mitigation costs.

A general description of the probable impact on private and public employment in businesses, agencies and political subdivisions of this state directly affected by the rule making.

ADEQ does not believe that the additional costs to businesses subject to the amended NSR requirements, as described above, will be substantial enough to deter the construction of expansion of business operations. Accordingly, there should be no impact on private employment or on the employment of any political subdivision subject to NSR.

A statement of the probable impact of the rule making on small businesses.

(a) An identification of the small businesses subject to the rule making.

Under A.R.S. § 41-1001(21):

"Small business" means a concern, including its affiliates, which is [1] *independently owned and operated*, which is [2] *not dominant in its field and which* [3] *employs fewer than one hundred full-time employees or which had gross annual receipts of less than four million dollars in its last fiscal year.* (Emphasis added.)

Most registration sources will likely qualify as small businesses, as will many sources subject to minor NSR. It is unlikely that any major sources would qualify.

(b) The administrative and other costs required for compliance with the rule making.

ADEQ anticipates that small businesses will incur little to no additional costs as a result of the procedural and technical changes to minor NSR and the registration program proposed in these amendments.

(c) A description of the methods that the agency may use to reduce the impact on small businesses.

(i) Establishing less costly compliance requirements in the rule making for small businesses.



Not applicable.

(ii) Establishing less costly schedules or less stringent deadlines for compliance in the rule making.

Not applicable.

(iii) Exempting small businesses from any or all requirements of the rule making.

Not applicable.

(d) The probable cost and benefit to private persons and consumers who are directly affected by the rule making.

Some businesses may pass some of the additional costs estimated on to consumers. ADEQ anticipates the impact will be negligible because the amendments will not substantially increase existing air quality compliance costs.

A statement of the probable effect on state revenues.

Since the costs of the amendments will be recoverable through air quality permit fees, there will be no net effect on state revenues.

A description of any less intrusive or less costly alternative methods of achieving the purpose of the rule making.

As discussed above in section 5, ADEQ is adopting amendments that the Department believes to be the minimum necessary to comply with federal NSR requirements. No less intrusive or costly alternatives are available.

10. A description of any changes between the proposed rulemaking, to include supplemental notices, and the final rulemaking:

ADEQ is making only minor clarifying changes to the proposal, as described in detail in the responses to comments 1-4, 8, 10, 12 and 17.

11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:

Comment 1: R18-2-101.131: For purposes of clarification, the reference to “under R18-2-302(B)(2)” (applicability provisions for Class II permits based on “significant” emission rates) might be better placed after “in reference to a significant increase” rather than after “a stationary source’s maximum to emit with elective limits.” (Arizona Mining Association [AMA])

Response: ADEQ appreciates the suggestion, but “under R18-2-302(B)(2)” does not modify “significant emissions increase.” The definition in R18-2-101(131) is intended to specify the four different contexts to which the significance thresholds in the definition apply: (1) determining whether an emissions increase is significant for purposes major NSR, (2) determining whether a net emissions increase is significant for purposes of major NSR, (3) determining whether a stationary source’s potential to emit a particular pollutant is significant for purposes of determining major NSR applicability to the pollutant, and (4) determining whether a stationary source’s maximum capacity to emit with elective limits is significant for purposes of determining Class II permit applicability. The phrase “under R18-2-302(B)(2)” can only apply to the last item. In an attempt to make this definition clearer, however, ADEQ is substituting “as defined in R18-2-301(13)” for “under R18-2-302(B)(2).”

Comment 2: R18-2-301.13: Because “maximum capacity to emit with elective limits” as it is used in revised applicability provisions could be construed as applicable only to the situation where elective limits were included in a source’s registration under R18-2-302.01(F), there could be confusion in evaluating applicability (e.g., a source subject to a Class II permit that never had a registration or a source that previously had a registration, but it did not contained elective limits). Although clarification can be found in the term’s definition, perhaps some of the potential confusion could be avoided by replacing “maximum capacity to emit with elective limits” with “maximum capacity to emit with any elective limits.” This change would help clarify that applicability is based on maximum capacity to emit, including elective limits if they were established. Of course, such references would then need to be revised throughout the revised rules. (AMA)

Response: ADEQ agrees with this comment and has made this change in the final rule.

Comment 3: R18-2-302.01(A)(6): This provision requires identification of the method used to determine “maximum capacity to emit” specified under R18-2-302(B)(3)(a) or (d) or subsection (G)(1)(a) of this Section, but Subsection (G)(1)(a) refers to “maximum capacity to emit with elective limits.” The AMA recommends inserting “maximum capacity to emit with elective limits specified under” before “subsection (G)(1)(a) of this Section.” (AMA)

Response: ADEQ agrees with this comment and has made this change together with some additional revisions to improve the clarity of this provision.

Comment 4: R18-2-302.01(B)(4): Because this is a registration provision, it appears that “permit or permit revision” should be replaced with “registration or registration revision.” (AMA)

Response: ADEQ agrees with this comment and has made this change in the final rule.

Comment 5: R18-2-302.01(C)(4): As explained in more detail below, the “performance of the screening model pursuant to subsection (C)(3)” should not be the sole basis for the Director’s determination resulting in denial of an application. The federal requirements for minor NSR programs at 40 C.F.R. § 51.160 do not expressly require modeling or mandate that it be the sole criteria for determining whether a source would “interfere with attainment or maintenance” of a NAAQS. Furthermore, a conservative screening model does not necessarily demonstrate that a source’s emissions will interfere with attainment or maintenance of a NAAQS. The AMA therefore requests removal of “based on performance of the screening model pursuant to subsection (C)(3).” (AMA)

Response: Under R18-2-302.01(C)(4), the screening model run is not used to “demonstrate” that a source will interfere with attainment or maintenance of a NAAQS. Rather, it is used to determine whether a source will be required to obtain a Class II permit rather than a registration. ADEQ believes this is appropriate. If screening model results indicate that a source’s emissions will interfere, the source will have two alternatives: First, the source can implement additional control measures to reduce its projected impact, in which case enforceable emission limits reflecting those controls will need to be imposed. See R18-2-334(C)(2)(c). Second, the source can perform a more refined modeling analysis to demonstrate that the interference projected by the screening



model will not in fact occur. See R18-2-334(C)(2)(b). In either case, the process for approving the source's construction will have reached a level of complexity inappropriate for the registration program. See also response to Comment 14.

Comment 6: R18-2-302.01(E). The AMA understands that the proposed revisions to R18-2-302.01(E) are intended to address an EPA comment taking the position that the prior language was not adequate to ensure that construction of a source will not result in violation of applicable portions of a control strategy. Given that the federal minor NSR program provisions at 40 C.F.R. § 51.160 require that ADEQ's program have enforceable procedures that enable ADEQ to determine whether the construction or modification of a source would violate applicable portions of the control strategy (including a means by which ADEQ will prevent such construction or modification), the basis for EPA's comment and ADEQ's proposed response is unclear. That is, requiring a registration to include enforceable emission limitations and restrictions (as ADEQ's proposed revisions would require) does not appear related to the minor NSR program requirement for enforceable procedures that enable ADEQ to identify and prevent the construction or modification of a source that would violate applicable portions of the control strategy.

In any event, the AMA is concerned that the proposed revisions are contrary to intent of the streamlined registration portion of ADEQ's minor NSR program to reduce regulatory burdens on small sources. By requiring registrations to include "[e]nforceable emission limitations and standards, including operational requirements and emission limitations that ensure compliance with all applicable SIP requirements at the time of issuance and any testing, monitoring, recordkeeping and reporting obligations imposed by the applicable requirement or by R18-2-312," a registration would be nearly indistinguishable from a Class II permit. The AMA does not believe that EPA's comment must be addressed in this manner. Under 40 C.F.R. § 51.160(d), minor NSR program "procedures must provide that approval of any construction or modification must not affect the responsibility of the owner or operator to comply with applicable portions of the control strategy." A source's responsibility to comply with any applicable portions of a control strategy is set forth in ADEQ's rules that make up that control strategy. Including those already applicable requirements in a registration (or permit) is not necessary to make those requirements enforceable. The AMA therefore requests that ADEQ replace the proposed revisions with a registration content requirement for identification of applicable requirements (as R18-2-302.01(E)(1) previously provided) and a statement that approval of the source's construction or modification via the registration does not affect the responsibility of the owner or operator to comply with applicable portions of the control strategy. (AMA)

Response: A number of former Class II permitted sources have taken advantage of the rule provisions allowing them to transition to the registration program. The conditions sections of the registrations for these sources have been at least 50 percent shorter than the conditions sections of their former permits and often much shorter than that. For the reasons given below, ADEQ anticipates that this will continue to be the case after the amendment to R18-2-302.01(E) takes effect.

EPA's basis for concluding that R18-2-302.01 is not adequate to assure that sources subject to minor NSR will comply with applicable provisions of the control strategy is provided in the Technical Support Document (TSD) for EPA's proposed LA/LD (available at <https://www.regulations.gov/document?D=EPA-R09-OAR-2015-0187-0004>) at page 20:

For sources subject to ADEQ's registration program at R18-2-302.01, ADEQ has not demonstrated that its NSR program meets the requirement to ensure that sources subject to NSR review comply with the applicable portions of the control strategy as required by 40 CFR 51.160(b)(1). This requirement is nearly met by R18-2-302.01(E), except that the provision lacks sufficient language to "ensure compliance" with applicable requirements, *similar to language in R18-2-306(A)(2)*. To obtain full approval ADEQ must ensure that sources subject to R18-2-302.01 will comply with the applicable portions of the control strategy.

(Emphasis added.) Thus, EPA specifically identified language similar to R18-2-306(A)(2), which is applicable to Class I and II permits, as being sufficient to cure this deficiency. Section R18-2-306(A)(2) establishes the requirement that Class I and II permits contain emission limitations reflecting *all applicable requirements* and that those limitations be enforceable. ADEQ has not proposed to adopt identical language for R18-2-306.01 but instead adapted that language in two ways to minimize the imposition on registered sources.

First, the enforceable emission limitation requirement applies solely to "applicable SIP requirements," rather than "all applicable requirements. Since the "control strategy" consists of SIP requirements, the inclusion of the SIP requirements applicable to a particular source is sufficient to insure it will not violate the control strategy. For the most part, applicable SIP requirements consist of existing source performance standard in Article 7 of Title 18, Chapter 2. Enforceable emission limitations reflecting these requirements in Class I and II permits tend to be short and straightforward and impose minimal monitoring and reporting obligations. The more complicated conditions in Class I and II permits tend to be those reflecting NSPS and NESHAPS, which are not "applicable SIP requirements," and therefore will not need to be included in registrations.

Second, R18-2-302.01 is only being amended to include the basic enforceability requirement. The additional requirements in R18-2-306(A)(2)(a)-(d) are not included. Nor are any of the other rules designed to enhance the enforceability of Class I and II permits, such as R18-2-306(A)(3)-(5) and (8) and R18-2-309.

Comment 7: R18-2-302.01(F)(2)(b). Maintaining a log or business records of production rate "through the preceding operating day" and updates "once per operating day" may not be feasible for certain small businesses where production rate may not be reasonably ascertainable on a daily basis (e.g., production based on inventory). The information necessary to demonstrate compliance with the annual production limit contemplated here is the total production for each rolling 12-month period. To determine total production for each rolling 12-month period, a source would need to ascertain and record production levels for each month. Ascertaining and maintaining records of monthly production does not inherently require that values be measured and recorded daily. However, as R18-2-302.01(F)(2) is currently drafted, a registration source may be precluded from obtaining an elective limit unless the source can implement a daily production monitoring and recordkeeping approach. Such an approach may be costly, burdensome, or otherwise infeasible for small businesses and appears unnecessary to provide a reasonable assurance of compliance with a 12-month rolling limit. Accordingly, because ADEQ's registration program was intended to streamline and reduce the regulatory burdens of small sources, the AMA requests that ADEQ remove these prescriptive provisions and allow recordkeeping determinations to be made on a case-by-case basis, considering the circumstances and what provides a reasonable assurance of



compliance with the requested limit.

Response: On the basis of EPA guidance, the LA/LD specified that at least daily recordkeeping was required for enforceable limits designed, as the elective limits are, to allow a source to avoid minor NSR. TSD at 29. Although this guidance is not binding, it represents EPA's interpretation of its own rules and thus would be afforded considerable deference in any court challenge. ADEQ therefore believes the proposed changes are necessary to address this deficiency and secure full approval of the minor NSR program.

Moreover, a number of registrations issued so far have included elective limits on production that included daily recordkeeping requirements, and this has not proved to be a problem for registrants.

It is possible that some small businesses will not be able to adopt elective limits as result of this requirement. Fortunately, because of the role that elective limits play in the registration and permitting programs, the impact on any such sources will be minimal.

There are two categories of sources that would have a reason to adopt elective limits.

First, sources can adopt elective limits in order to keep their "maximum capacity to emit with any elective limits" below the significance threshold in order to avoid Class II permitting requirements. These are sources that would have required a Class II permit before the registration program went into effect. It is unlikely that these sources would have difficulty complying with a daily recordkeeping requirement. Even if they do, and therefore cannot assume elective limits, the only consequence is that they remain subject to the requirement to obtain a Class II permit.

Second, sources can adopt elective limits in order to keep their "maximum capacity to emit with any elective limits" below the permitting exemption thresholds. If they are unable to do so, the only consequences are that registration issuance will require public notice, R18-2-302.01(B)(3), and that they will be subject to mandatory, rather than discretionary, screening for possible interference with the NAAQS, R18-2-302.01(C), (D).

Comment 8: R18-2-302.01(F)(4)(a): The "pounds per month" requirement may be overly stringent for some registration sources and is ambiguous in how compliance is demonstrated. The AMA requests that the limit be expressed as a 12-month rolling period similar to R18-2-302.01(F)(1) and (2). (AMA)

Response: ADEQ agrees and is making this change to the proposed rule language.

Comment 9: R18-2-302.01(F)(4)(b): Similar to the comments above, updating material usage spreadsheet or database "at least once per operating day" may not be feasible for certain small businesses where material usage may not be reasonably ascertainable on a daily basis (e.g., material usage based on inventory). During prior stakeholder meetings, representatives from the Maricopa County Air Quality Department (MCAQD) articulated similar concerns based on their experience. The AMA requests that ADEQ remove this prescriptive provision and allow recordkeeping requirement determinations to be made on a case-by-case basis, considering the circumstances and what provides a reasonable assurance of compliance with the requested limit. (AMA)

Response: See response to Comment 7.

Comment 10: R18-2-304: The AMA supports the revisions to R18-2-304 to help streamline applications. However, the reference to "RIS-2-306.02" in R18-2-304(B)(7) should be "R18-2-306.02."

Response: ADEQ appreciates the expression of support and is adopting these proposed amendments in the final rule. ADEQ has corrected the typographical error identified in the comment.

Comment 11: R18-2-306(A)(5): The AMA supports the revisions to R18-2-306.A.5 to help streamline reporting requirements. (AMA)

Response: ADEQ appreciates the expression of support and is adopting these proposed amendments in the final rule.

Comment 12: R18-2-312: The AMA supports the revisions to R18-2-312 to allow the extension of performance testing deadlines due to events beyond a source's control (consistent with federal rules). However, the reference to "subsection (I)" in the first sentence of R18-2-312(A) should be "subsection (J)." (AMA)

Response: ADEQ appreciates the expression of support and is adopting these proposed amendments in the final rule. ADEQ has corrected the erroneous cross-reference identified in the comment.

Comment 13: R18-2-334(C)(2)(b): The AMA supports the replacement of the "cause or exacerbate" language (that previously was undefined and inconsistent with the federal requirements for a minor NSR program under 40 C.F.R. § 51.160) with the "interfere with attainment or maintenance" language. (AMA)

Response: ADEQ appreciates the expression of support and is adopting these proposed amendments in the final rule.

Comment 14: R18-2-334(C)(2): As drafted, the air quality assessment to determine that a new source or minor NSR modification will not interfere with attainment or maintenance of a NAAQS could be interpreted as allowing only source-specific modeling to make this determination. While source-specific modeling is arguably the preferred and most common approach, the federal requirements for minor NSR programs at 40 C.F.R. § 51.160 do not expressly mandate source-specific modeling. The AMA requests that the provision be revised to clarify that an acceptable alternative could also be used to make this determination (possibly regional scale modeling, risk-based monitoring, etc.). The AMA agrees that source-specific modeling demonstrating either of the items in R18-2-334(C)(2)(b) should be allowed to provide a "bright-line" basis for determining that a new source or minor NSR modification will not interfere with attainment or maintenance of the NAAQS. However, a source-specific modeling analysis that is unable to make either of the R18-2-334(C)(2)(b) demonstrations (e.g., due to high background concentrations and ambient impacts above significance levels), does not necessarily mean that the new source or minor NSR modification will interfere with attainment or maintenance of the NAAQS. This distinction is important because R18-2-334(F) (as currently drafted) requires that the Director deny an application if an assessment conducted pursuant to subsection (C)(2) demonstrates that the source or modification will interfere with the NAAQS. Accordingly, clarification that source-specific modeling is not the only means to determine whether a source or minor NSR modification will not interfere with attainment or maintenance of the NAAQS is necessary to



avoid the untenable situation where applications must be denied solely because source-specific modeling is unable to make either of the R18-2-334(C)(2)(b) demonstrations. (AMA)

Response: In the final LA/LD, EPA made it clear that authority to deny a minor NSR application for modeled interference with the NAAQS is a mandatory component of a minor NSR program. Removing this authority from R18-2-334 would result in full disapproval of the state's minor NSR program.

Comment 15: R18-2-334(F): See comments above regarding the denial of applications based solely on the inability of a source-specific modeling analysis to make either of the R18-2-334(C)(2)(b) demonstrations. While the R18-2-334(C)(2)(b) demonstrations should support the determination that a source or minor NSR modification will not interfere with attainment or maintenance of the NAAQS, the inability to make the R18-2-334(C)(2)(b) demonstrations does not conclusively require a determination that a source or minor NSR modification will interfere with attainment or maintenance of the NAAQS. (AMA)

Response: See response to Comment 14.

Comment 16: R18-2-503(E), R18-2-513(C)(3), R18-2-514(B): While the AMA supports ADEQ's development of web tools such as MyDEQ, the revisions inappropriately mandate the filing of applications and conducting all transactions through a web portal when available and upon notice by the Director. ADEQ should recommend using the web portal as it helps educate the regulated community, but still allow sources (especially small sources typically subject to general permits) to obtain permits and conduct transactions as is traditionally done. (AMA)

Response: In developing MyDEQ, ADEQ has evaluated whether use of the portal will pose a problem for the sources potentially subject to it and has concluded that for all of these sources use of the portal will be substantially easier and faster than the traditional method of processing general permit transactions.

Comment 17: For simplicity, I propose the following as the clarification to the text in R18-2-311 page 106.

Except as otherwise provided in this subsection (the) opacity of visible emissions shall be determined by EPA Alternative Method 082 or EPA Reference Method 9 of the Arizona Testing Manual. A permit may specify an alternate method, for determining the opacity of emissions from a particular emissions unit, if the method has been approved by the Administrator.

This language would make it clearer that EPA Alternative Method 082 is used in AZ. Further, the county rules reference the AAC, so the request from them is to make the AAC directly reference EPA ALT 082, so they do not have to change their rules. For instance, the Kinder Morgan permit in Pima county says visible emissions are to be measured using the methods specified in AAC 18-2-311 and the AZ Testing Manual. The AZ Testing manual only allows Method 9 or 40CFR60 Appendix A methods. So the decision was facilities in Pima county cannot use EPA Alternative Method 082. As worded in this modification package, one could argue that only via a specifically requested and approved permit change could EPA ALT 082 be used. This permit change is what the counties do not want, e.g. a lot of work they are not staffed to perform. The proposed clarification would make EPA ALT 082 part of AAC 18-2-311, thus all exiting permits in Pima county would not need to be changed as they currently reference AAC 18-2-311 as the governing document. When I commented on Maricopa county permits to include EPA ALT 082 I was told by that group to get AzDEQ to change AAC 18-2-311 to directly include EPA ALT 082 like it does Method 9, because too much work to include specific methods in each permit, too easy to make a mistake and leave it out.

Please accept this as a request for clarification in the final promulgation, objective is to clarifying the use of the EPA Alternative Method 082 is allowed. Do not want to mandate its use, or mandate a change to exiting process, or including a method that is more stringent. EPA ALT 082 is the same as Method 9, stated can be used "in Lieu of Method 9" in the CFR.

I attached the EPA's documents on this topic and you can see why its not as clear on that end as we would like it ether. But I am told by Jason and all of his bosses that the only way 40CFR60 Appendix A is going to be updated is if the courts require the EPA to update it. The methodology is letter approval, (site specific), to CFR publication (broadly applicable), to incorporation into rules (Ferro Alloy NESHAP), is the way OAQPS plans to bring all new technology/methods into use. Jason Dewees, OAQPS, (919) 541-9724.

Response: ADEQ agrees and has made this change.

12. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

There are no other matters prescribed by statute applicable specifically to ADEQ or this specific rulemaking.

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

The rule requires permits as described in section 5 above. A general permit may be used to satisfy minor NSR requirements established by this rule. Federal law does not allow the enforcement of major NSR requirements through the issuance of general permits, because major NSR requires a case-by-case, facility-specific determination.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

The federal Clean Air Act and implementing regulations adopted by EPA apply to the subject of this rule, as described in section 5 above. This rulemaking is no more stringent than required by federal law.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No such analysis was submitted.

13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

There are no incorporations by reference added to the rules in this action.



14. Whether the rule was previously made, amended, or repealed as an emergency rule. If so, cite the notice published in the Register as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages:

No

15. The full text of the rules follows:

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 2. DEPARTMENT OF ENVIRONMENTAL QUALITY AIR POLLUTION CONTROL

ARTICLE 1. GENERAL

Section

- R18-2-101. Definitions
- R18-2-102. Incorporated Materials

ARTICLE 2. AMBIENT AIR QUALITY STANDARDS; AREA DESIGNATIONS; CLASSIFICATIONS

Section

- R18-2-201. Particulate Matter: PM₁₀ and PM_{2.5}
- R18-2-203. ~~Ozone: One-hour Standard and Eight-hour Average Standard~~
- R18-2-217. Designation and Classification of Attainment Areas
- R18-2-218. Limitation of Pollutants in Classified Attainment Areas

ARTICLE 3. PERMITS AND PERMIT REVISIONS

Section

- R18-2-301. Definitions
- R18-2-302. Applicability; Registration; Classes of Permits
- R18-2-302.01. Source Registration Requirements
- R18-2-303. Transition from Installation and Operating Permit Program to Unitary Permit Program; Registration Transition; Minor NSR Transition
- R18-2-304. Permit Application Processing Procedures
- R18-2-306. Permit Contents
- R18-2-306.01. Permits Containing Voluntarily Accepted Emission Limitations and Standards
- R18-2-307. Permit Review by the EPA and Affected States
- R18-2-311. Test Methods and Procedures
- R18-2-312. Performance Tests
- R18-2-319. Minor Permit Revisions
- R18-2-320. Significant Permit Revisions
- R18-2-324. Portable Sources
- R18-2-326. Fees Related to Individual Permits
- R18-2-327. Annual Emissions Inventory Questionnaire
- R18-2-330. Public Participation
- R18-2-332. Stack Height Limitation
- R18-2-334. Minor New Source Review

ARTICLE 4. PERMIT REQUIREMENTS FOR NEW MAJOR SOURCES AND MAJOR MODIFICATIONS TO EXISTING MAJOR SOURCES

Section

- R18-2-401. Definitions
- R18-2-402. General
- R18-2-403. Permits for Sources Located in Nonattainment Areas
- R18-2-404. Offset Standards
- R18-2-405. Special Rule for Major Sources of VOC or Nitrogen Oxides in Ozone Nonattainment Areas Classified as Serious or Severe
- R18-2-406. Permit Requirements for Sources Located in Attainment and Unclassifiable Areas
- R18-2-407. Air Quality Impact Analysis and Monitoring Requirements
- R18-2-408. Innovative Control Technology
- R18-2-410. Visibility and Air Quality Related Value Protection
- R18-2-411. Permit Requirements for Sources that Locate in Attainment or Unclassifiable Areas and Cause or Contribute to a Violation of Any National Ambient Air Quality Standard.
- R18-2-412. PALs



ARTICLE 5. GENERAL PERMITS

Section	
R18-2-502.	General Permit Development
R18-2-503.	Application for Coverage under General Permit
R18-2-504.	Public Notice
R18-2-507.	General Permit Variances Repealed
R18-2-508.	General Permit Shield Repealed
R18-2-512.	Changes to Facilities Granted Coverage under General Permits
R18-2-513.	Portable Sources Covered under a General Permit
<u>R18-2-514.</u>	<u>General Permit Compliance Certification</u>
<u>R18-2-515.</u>	<u>Minor NSR in General Permits</u>

ARTICLE 12. EMISSIONS BANK

Section	
R18-2-1205.	Credit Certification

~~APPENDIX 1. STANDARD PERMIT APPLICATION FORM AND FILING INSTRUCTIONS REPEALED~~

ARTICLE 1. GENERAL

R18-2-101. Definitions

The following definitions apply to this Chapter. Where the same term is defined in this Section and in the definitions Section for an Article of this Chapter, the Article-specific definition shall apply.

1. “Act” means the Clean Air Act of 1963 (P.L. 88-206; 42 U.S.C. 7401 through 7671q) as amended through December 31, 2011 (and no future editions).
2. “Actual emissions” means the actual rate of emissions of a regulated NSR pollutant from an emissions unit, as determined in subsections (2)(a) through (e), except that this definition shall not apply for calculating whether a significant emissions increase as defined in R18-2-401 has occurred, or for establishing a plantwide applicability limitation as defined in R18-2-401. Instead, the definitions of projected actual emissions and baseline actual emissions in R18-2-401 shall apply for those purposes.
 - a. In general, actual emissions as of a particular date shall equal the average rate, in tons per year, at which the unit actually emitted the pollutant during a consecutive 24-month period that precedes the particular date and that is representative of normal source operation. The Director may allow the use of a different time period upon a determination that it is more representative of normal source operation. Actual emissions shall be calculated using the unit’s actual operating hours, production rates, and types of materials processed, stored or combusted during the selected time period.
 - b. The Director may presume that source-specific allowable emissions for the unit are equivalent to the actual emissions of the unit.
 - c. For any emissions unit that is or will be located at a source with a Class I permit ~~source that~~ and has not begun normal operations on the particular date, actual emissions shall equal the unit’s potential to emit on that date.
 - d. For any emissions unit that is or will be located at a source with a Class II permit ~~source that~~ and has not begun normal operations on the particular date, actual emissions shall be based on applicable control equipment requirements and projected conditions of operation.
 - e. This definition shall not apply for calculating whether a significant emissions increase has occurred, or for establishing a PAL. Instead, the definitions of projected actual emissions and baseline actual emissions in R18-2-401 shall apply for those purposes.
3. “Administrator” means the Administrator of the United States Environmental Protection Agency.
4. “Affected facility” means, with reference to a stationary source, any apparatus to which a standard is applicable.
5. “Affected source” means a source that includes one or more units which are subject to emission reduction requirements or limitations under Title IV of the Act.
6. “Affected state” means any state whose air quality may be affected by a source applying for a permit, permit revision, or permit renewal and that is contiguous to Arizona or that is within 50 miles of the permitted source.
7. “Afterburner” means an incinerator installed in the secondary combustion chamber or stack for the purpose of incinerating smoke, fumes, gases, unburned carbon, and other combustible material not consumed during primary combustion.
8. “Air contaminants” means smoke, vapors, charred paper, dust, soot, grime, carbon, fumes, gases, sulfuric acid mist aerosols, aerosol droplets, odors, particulate matter, wind-borne matter, radioactive materials, or noxious chemicals, or any other material in the outdoor atmosphere.
9. “Air curtain destructor” means an incineration device designed and used to secure, by means of a fan-generated air curtain, controlled combustion of only wood waste and slash materials in an earthen trench or refractory-lined pit or bin.
10. “Air pollution” means the presence in the outdoor atmosphere of one or more air contaminants or combinations thereof in sufficient quantities, which either alone or in connection with other substances by reason of their concentration and duration are or tend to be injurious to human, plant or animal life, or cause damage to property, or unreasonably interfere with the comfortable enjoyment of life or property of a substantial part of a community, or obscure visibility, or which in any way degrade the quality of the ambient air below the standards established by the director. A.R.S. § 49-421(2).
11. “Air pollution control equipment” means equipment used to eliminate, reduce or control the emission of air pollutants into the ambient air.



12. "Air quality control region" (AQCR) means an area so designated by the Administrator pursuant to Section 107 of the Act and includes the following regions in Arizona:
 - a. Maricopa Intrastate Air Quality Control Region which is comprised of the County of Maricopa.
 - b. Pima Intrastate Air Quality Control Region which is comprised of the County of Pima.
 - c. Northern Arizona Intrastate Air Quality Control Region which encompasses the counties of Apache, Coconino, Navajo, and Yavapai.
 - d. Mohave-Yuma Intrastate Air Quality Control Region which encompasses the counties of La Paz, Mohave, and Yuma.
 - e. Central Arizona Intrastate Air Quality Control Region which encompasses the counties of Gila and Pinal.
 - f. Southeast Arizona Intrastate Air Quality Control Region which encompasses the counties of Cochise, Graham, Greenlee, and Santa Cruz.
13. "Allowable emissions" means the emission rate of a stationary source calculated using both the maximum rated capacity of the source, unless the source is subject to federally enforceable limits which restrict the operating rate or hours of operation, and the most stringent of the following:
 - a. The applicable standards as set forth in 40 CFR 60, 61 ~~and~~ ~~or~~ 63;
 - b. ~~The applicable existing source performance standard, as approved for the SIP and contained in Article 7 of this Chapter emissions limitations approved into the state implementation plan, including those with a future compliance date; or,~~
 - c. ~~The emissions rate specified in any federally promulgated rule or as a federally enforceable permit conditions applicable to the stationary source condition, including those with a future compliance date.~~
14. "Ambient air" means that portion of the atmosphere, external to buildings, to which the general public has access.
15. "Applicable implementation plan" means those provisions of the state implementation plan approved by the Administrator or a federal implementation plan promulgated for Arizona or any portion of Arizona in accordance with Title I of the Act.
16. "Applicable requirement" means any of the following:
 - a. Any federal applicable requirement.
 - b. Any other requirement established pursuant to this Chapter or A.R.S. Title 49, Chapter 3.
17. "Arizona Testing Manual" means sections 1 and 7 of the Arizona Testing Manual for Air Pollutant Emissions amended as of March 1992 (and no future editions).
18. "ASTM" means the American Society for Testing and Materials.
19. "Attainment area" means any area ~~in the state~~ that has been identified in regulations promulgated by the Administrator as being in compliance with national ambient air quality standards.
20. *"Begin actual construction" means, initiation of physical on-site construction activities on an emissions unit which are of a permanent nature. With respect to a change in method of operation this term refers to those onsite activities, other than preparatory activities, which mark the initiation of the change.*
 - a. *For purposes of title I, parts C and D and section 112 of the clean air act, and for purposes of applicants that require permits containing limits designed to avoid the application of title I, parts C and D and section 112 of the clean air act, these activities include installation of building supports and foundations, laying of underground pipework, and construction of permanent storage structures but do not include any of the following, subject to subsection (20)(c):*
 - i. *Clearing and grading, including demolition and removal of existing structures and equipment, stripping and stockpiling of topsoil.*
 - ii. *Installation of access roads, driveways and parking lots.*
 - iii. *Installation of ancillary structures, including fences, office buildings and temporary storage structures, that are not a necessary component of an emissions unit or associated air pollution control equipment for which the permit is required.*
 - iv. *Ordering and onsite storage of materials and equipment.*
 - b. *For purposes other than those identified in subsection (20)(a), these activities do not include any of the following, subject to subsection (20)(c):*
 - i. *Clearing and grading, including demolition and removal of existing structures and equipment, stripping and stockpiling of topsoil and earthwork cut and fill for foundations.*
 - ii. *Installation of access roads, parking lots, driveways and storage areas.*
 - iii. *Installation of ancillary structures, including fences, warehouses, storerooms and office buildings, provided none of these structures impacts the design of any emissions unit or associated air pollution control equipment.*
 - iv. *Ordering and onsite storage of materials and equipment.*
 - v. *Installation of underground pipework, including water, sewer, electric and telecommunications utilities.*
 - vi. *Installation of building and equipment supports, including concrete forms, footers, pilings, foundations, pads and plat-forms, provided none of these supports impacts the design of any emissions unit or associated air pollution control equipment.*
 - c. *An applicant's performance of any activities that are excluded from the definition of "begin actual construction" under subsection (20)(a) or (b) shall be at the applicant's risk and shall not reduce the applicant's obligations under this Chapter. The director shall evaluate an application for a permit or permit revision and make a decision on the same basis as if the activities allowed under subsection (20)(a) or (b) had not occurred. A.R.S. § 49-401.01(7).*
21. "Best available control technology" (BACT) means an emission limitation, including a visible emissions standard, based on the maximum degree of reduction for each ~~air~~ regulated NSR pollutant which would be emitted from any proposed major source or major modification, taking into account energy, environmental, and economic impact and other costs, determined by the Director in accordance with R18-2-406(A)(4) to be achievable for such source or modification.
22. "Btu" means British thermal unit, which is the quantity of heat required to raise the temperature of one pound of water 1°F.
23. "Categorical sources" means the following classes of sources:
 - a. Coal cleaning plants with thermal dryers;



- b. Kraft pulp mills;
 - c. Portland cement plants;
 - d. Primary zinc smelters;
 - e. Iron and steel mills;
 - f. Primary aluminum ore reduction plants;
 - g. Primary copper smelters;
 - h. Municipal incinerators capable of charging more than 250 tons of refuse per day;
 - i. Hydrofluoric, sulfuric, or nitric acid plants;
 - j. Petroleum refineries;
 - k. Lime plants;
 - l. Phosphate rock processing plants;
 - m. Coke oven batteries;
 - n. Sulfur recovery plants;
 - o. Carbon black plants using the furnace process;
 - p. Primary lead smelters;
 - q. Fuel conversion plants;
 - r. Sintering plants;
 - s. Secondary metal production plants;
 - t. Chemical process plants, which shall not include ethanol production facilities that produce ethanol by natural fermentation included in North American Industry Classification System codes 325193 or 312140;
 - u. Fossil-fuel boilers, combinations thereof, totaling more than 250 million Btus per hour heat input;
 - v. Petroleum storage and transfer units with a total storage capacity more than 300,000 barrels;
 - w. Taconite ~~ore~~ preprocessing plants;
 - x. Glass fiber processing plants;
 - y. Charcoal production plants;
 - z. Fossil-fuel-fired steam electric plants and combined cycle gas turbines of more than 250 million Btus per hour heat input.
24. "Categorically exempt activities" means any of the following:
- a. Any combination of diesel-, natural gas- or gasoline-fired engines with cumulative power equal to or less than 145 horsepower.
 - b. Natural gas-fired engines with cumulative power equal to or less than 155 horsepower.
 - c. Gasoline-fired engines with cumulative power equal to or less than 200 horsepower.
 - d. Any of the following emergency or stand-by engines used for less than 500 hours in each calendar year, provided the permittee keeps records documenting the hours of operation of the engines:
 - i. Any combination of diesel-, natural gas- or gasoline-fired emergency engines with cumulative power equal to or less than 2,500 horsepower.
 - ii. Natural gas-fired emergency engines with cumulative power equal to or less than 2,700 horsepower.
 - iii. Gasoline-fired emergency engines with cumulative power equal to or less than 3,700 horsepower.
 - e. Any combination of boilers with a cumulative maximum design heat input capacity of less than 10 million Btu/hr.
25. "CFR" means the Code of Federal Regulations, amended as of July 1, 2011, (and no future editions), with standard references in this Chapter by Title and Part, so that "40 CFR 51" means Title 40 of the Code of Federal Regulations, Part 51.
26. "Charge" means the addition of metal bearing materials, scrap, or fluxes to a furnace, converter or refining vessel.
27. "Clean coal technology" means any technology, including technologies applied at the precombustion, combustion, or post-combustion stage, at a new or existing facility that will achieve significant reductions in air emissions of sulfur dioxide or oxides of nitrogen associated with the utilization of coal in the generation of electricity, or process steam, that was not in widespread use as of November 15, 1990.
28. "Clean coal technology demonstration project" means a project using funds appropriated under the heading "Department of Energy - Clean Coal Technology," up to a total amount of \$2,500,000,000 for commercial demonstration of clean coal technology or similar projects funded through appropriations for the Environmental Protection Agency. The federal contribution for a qualifying project shall be at least 20% of the total cost of the demonstration project.
29. "Coal" means all solid fossil fuels classified as anthracite, bituminous, subbituminous, or lignite by ASTM D-388-91, (Classification of Coals by Rank).
30. "Combustion" means the burning of matter.
31. "Commence" means, as applied to construction of a source, or a major modification as defined in Article 4 of this Chapter, that the owner or operator has all necessary preconstruction approvals or permits and either has:
- a. Begun, or caused to begin, a continuous program of actual onsite construction of the source, to be completed within a reasonable time; or
 - b. Entered into binding agreements or contractual obligations, which cannot be cancelled or modified without substantial loss to the owner or operator, to undertake a program of actual construction of the source to be completed within a reasonable time.
32. "Construction" means any physical change or change in the method of operation, including fabrication, erection, installation, demolition, or modification of an emissions unit, which would result in a change in ~~actual~~ emissions.
33. "Continuous monitoring system" means a CEMS, CERMS, or CPMS.
34. "Continuous emissions monitoring system" or "CEMS" means the total equipment, required under the emission monitoring provisions in this Chapter, used to sample, condition (if applicable), analyze, and ~~to~~ provide, on a continuous basis, a permanent record of emissions.



35. “Continuous emissions rate monitoring system” or “CERMS” means the total equipment required for the determination and recording of the pollutant mass emissions rate (in terms of mass per unit of time).
36. “Continuous parameter monitoring system” or “CPMS” means the total equipment, required under the emission monitoring provisions in this Chapter, to monitor process or control device operational parameters (for example, control device secondary voltages and electric currents) or other information (for example, gas flow rate, O₂ or CO₂ concentrations) and to provide, on a continuous basis, a permanent record of monitored values.
37. “Controlled atmosphere incinerator” means one or more refractory-lined chambers in which complete combustion is promoted by recirculation of gases by mechanical means.
38. “Conventional air pollutant” means any pollutant for which the Administrator has promulgated a primary or secondary national ambient air quality standard. A.R.S. § 49-401.01(12).
39. “Department” means the Department of Environmental Quality. A.R.S. § 49-101(2)
40. “Director” means the director of environmental quality who is also the director of the department. A.R.S. § 49-101(3)
41. “Discharge” means the release or escape of an effluent from a source into the atmosphere.
42. “Dust” means finely divided solid particulate matter occurring naturally or created by mechanical processing, handling or storage of materials in the solid state.
43. “Dust suppressant” means a chemical compound or mixture of chemical compounds added with or without water to a dust source for purposes of preventing air entrainment.
44. “Effluent” means any air contaminant which is emitted and subsequently escapes into the atmosphere.
45. “Electric utility steam generating unit” means any steam electric generating unit that is constructed for the purpose of supplying more than one-third of its potential electric output capacity and more than 25 MW electrical output to any utility power distribution system for sale. Any steam supplied to a steam distribution system for the purpose of providing steam to a steam-electric generator that would produce electrical energy for sale is also considered in determining the electrical energy output capacity of the affected facility.
46. “Emission” means an air contaminant or gas stream, or the act of discharging an air contaminant or a gas stream, visible or invisible.
47. “Emission standard” or “emission limitation” means a requirement established by the state, a local government, or the Administrator which limits the quantity, rate, or concentration of emissions of air pollutants on a continuous basis, including any requirements which limit the level of opacity, prescribe equipment, set fuel specifications, or prescribe operation or maintenance procedures for a source to assure continuous emission reduction.
48. “Emissions unit” means any part of a stationary source which emits or would have the potential to emit any regulated air pollutant and includes an electric steam generating unit.
49. “Equivalent method” means any method of sampling and analyzing for an air pollutant which has been demonstrated under R18-2-311(D) to have a consistent and quantitatively known relationship to the reference method, under specified conditions.
50. “Excess emissions” means emissions of an air pollutant in excess of an emission standard as measured by the compliance test method applicable to such emission standard.
51. “Federal applicable requirement” means any of the following (including requirements that have been promulgated or approved by EPA through rulemaking at the time of issuance but have future effective compliance dates):
- Any standard or other requirement provided for in the applicable implementation plan approved or promulgated by EPA through rulemaking under Title I of the Act that implements the relevant requirements of the Act, including any revisions to that plan promulgated in 40 CFR 52.
 - Any term or condition of any preconstruction permits issued pursuant to regulations approved or promulgated through rulemaking under Title I, including parts C or D, of the Act.
 - Any standard or other requirement under section 111 of the Act, including 111(d).
 - Any standard or other requirement under section 112 of the Act, including any requirement concerning accident prevention under section 112(r)(7) of the Act.
 - Any standard or other requirement of the acid rain program under Title IV of the Act or the regulations promulgated thereunder and incorporated pursuant to R18-2-333.
 - Any requirements established pursuant to section 504(b) or section 114(a)(3) of the Act.
 - Any standard or other requirement governing solid waste incineration, under section 129 of the Act.
 - Any standard or other requirement for consumer and commercial products, under section 183(e) of the Act.
 - Any standard or other requirement for tank vessels under section 183(f) of the Act.
 - Any standard or other requirement of the program to control air pollution from outer continental shelf sources, under section 328 of the Act.
 - Any standard or other requirement of the regulations promulgated to protect stratospheric ozone under Title VI of the Act, unless the Administrator has determined that such requirements need not be contained in a Title V permit.
 - Any national ambient air quality standard or ~~increment~~ maximum increase allowed under R18-2-218 or visibility requirement under Part C of Title I of the Act, but only as it would apply to temporary sources permitted pursuant to section 504(e) of the Act.
52. “Federal Land Manager” means, with respect to any lands in the United States, the secretary of the department with authority over such lands.
53. “Federally enforceable” means all limitations and conditions which are enforceable by the Administrator under the Act, including all of the following:
- The requirements of the ~~New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants contained in Articles 9 and 11 of this Chapter~~ new source performance standards and national emission standards for hazardous air pollutants.



- b. The requirements of such other state or county rules or regulations approved by the Administrator, including the requirements of state and county operating and new source review permit and registration programs that have been approved by the Administrator. Notwithstanding this subsection, the condition of any permit or registration designated as being enforceable only by the state is not federally enforceable.
 - c. The requirements of any applicable implementation plan.
 - d. Emissions limitations, controls, and other requirements, and any associated monitoring, recordkeeping, and reporting requirements, ~~other than those designated as enforceable only by the state~~, that are included in a permit pursuant to R18-2-306.01 or R18-2-306.02.
54. "Federally listed hazardous air pollutant" means a pollutant listed pursuant to R18-2-1701(9).
55. "Final permit" means the version of a permit issued by the Department after completion of all review required by this Chapter.
56. "Fixed capital cost" means the capital needed to provide all the depreciable components.
57. "Fuel" means any material which is burned for the purpose of producing energy.
58. "Fuel burning equipment" means any machine, equipment, incinerator, device or other article, except stationary rotating machinery, in which combustion takes place.
59. "Fugitive emissions" means those emissions which could not reasonably pass through a stack, chimney, vent, or other functionally equivalent opening.
60. "Fume" means solid particulate matter resulting from the condensation and subsequent solidification of vapors of melted solid materials.
61. "Fume incinerator" means a device similar to an afterburner installed for the purpose of incinerating fumes, gases and other finely divided combustible particulate matter not previously burned.
62. "Good engineering practice (GEP) stack height" means a stack height meeting the requirements described in R18-2-332.
63. "Hazardous air pollutant" means any federally listed hazardous air pollutant.
64. "Heat input" means the quantity of heat in terms of Btus generated by fuels fed into the fuel burning equipment under conditions of complete combustion.
65. "Incinerator" means any equipment, machine, device, contrivance or other article, and all appurtenances thereof, used for the combustion of refuse, salvage materials or any other combustible material except fossil fuels, for the purpose of reducing the volume of material.
66. "Indian governing body" means the governing body of any tribe, band, or group of Indians subject to the jurisdiction of the United States and recognized by the United States as possessing power of self-government.
67. "Indian reservation" means any federally recognized reservation established by Treaty, Agreement, Executive Order, or Act of Congress.
68. "Insignificant activity" means any of the following activities:
- a. Liquid Storage and Piping
 - i. Petroleum product storage tanks containing the following substances, provided the applicant lists and identifies the contents of each tank with a volume of 350 gallons or more and provides threshold values for throughput or capacity or both for each such tank: diesel fuels and fuel oil in storage tanks with capacity of 40,000 gallons or less, lubricating oil, transformer oil, and used oil.
 - ii. Gasoline storage tanks with capacity of 10,000 gallons or less.
 - iii. Storage and piping of natural gas, butane, propane, or liquified petroleum gas, provided the applicant lists and identifies the contents of each stationary storage vessel with a volume of 350 gallons or more and provides threshold values for throughput or capacity or both for each such vessel.
 - iv. Piping of fuel oils, used oil and transformer oil, provided the applicant includes a system description.
 - v. Storage and handling of drums or other transportable containers where the containers are sealed during storage, and covered during loading and unloading, including containers of waste and used oil regulated under the federal Resource Conservation and Recovery Act, 42 U.S.C. 6901-6992(k). Permit applicants must provide a description of material in the containers and the approximate amount stored.
 - vi. Storage tanks of any size containing exclusively soaps, detergents, waxes, greases, aqueous salt solutions, aqueous solutions of acids that are not regulated air pollutants, or aqueous caustic solutions, provided the permit applicant specifies the contents of each storage tank with a volume of 350 gallons or more.
 - vii. Electrical transformer oil pumping, cleaning, filtering, drying and the re-installation of oil back into transformers.
 - b. Internal combustion engine-driven compressors, internal combustion engine-driven electrical generator sets, and internal combustion engine-driven water pumps used for less than 500 hours per calendar year for emergency replacement or standby service, provided the permittee keeps records documenting the hours of operation of this equipment.
 - c. Low Emitting Processes
 - i. Batch mixers with rated capacity of 5 cubic feet or less.
 - ii. Wet sand and gravel production facilities that obtain material from subterranean and subaqueous beds, whose production rate is 200 tons/hour or less, and whose permanent in-plant roads are paved and cleaned to control dust. This does not include activities in emissions units which are used to crush or grind any non-metallic minerals.
 - iii. Powder coating operations.
 - iv. Equipment using water, water and soap or detergent, or a suspension of abrasives in water for purposes of cleaning or finishing.
 - v. Blast-cleaning equipment using a suspension of abrasive in water and any exhaust system or collector serving them exclusively.
 - vi. Plastic pipe welding.
 - d. Site Maintenance



- i. Housekeeping activities and associated products used for cleaning purposes, including collecting spilled and accumulated materials at the source, including operation of fixed vacuum cleaning systems specifically for such purposes.
 - ii. Sanding of streets and roads to abate traffic hazards caused by ice and snow.
 - iii. Street and parking lot striping.
 - iv. Architectural painting and associated surface preparation for maintenance purposes at industrial or commercial facilities.
 - e. Sampling and Testing
 - i. Noncommercial (in-house) experimental, analytical laboratory equipment which is bench scale in nature, including quality control/quality assurance laboratories supporting a stationary source and research and development laboratories.
 - ii. Individual sampling points, analyzers, and process instrumentation, whose operation may result in emissions but that are not regulated as emission units.
 - f. Ancillary Non-Industrial Activities
 - i. General office activities, such as paper shredding, copying, photographic activities, and blueprinting, but not to include incineration.
 - ii. Use of consumer products, including hazardous substances as that term is defined in the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.) where the product is used at a source in the same manner as normal consumer use.
 - iii. Activities directly used in the diagnosis and treatment of disease, injury or other medical condition.
 - g. Miscellaneous Activities
 - i. Installation and operation of potable, process and waste water observation wells, including drilling, pumping, filtering apparatus.
 - ii. Transformer vents.
69. "Kraft pulp mill" means any stationary source which produces pulp from wood by cooking or digesting wood chips in a water solution of sodium hydroxide and sodium sulfide at high temperature and pressure. Regeneration of the cooking chemicals through a recovery process is also considered part of the kraft pulp mill.
70. "Lead" means elemental lead or alloys in which the predominant component is lead.
71. "Lime hydrator" means a unit used to produce hydrated lime product.
72. "Lime plant" includes any plant which produces a lime product from limestone by calcination. Hydration of the lime product is also considered to be part of the source.
73. "Lime product" means any product produced by the calcination of limestone.
74. "Major modification" is defined as follows:
- a. A major modification is any physical change in or change in the method of operation of a major source that would result in both a significant emissions increase of any regulated NSR pollutant and a significant net emissions increase of that pollutant from the stationary source.
 - b. Any emissions increase or net emissions increase that is significant for nitrogen oxides or volatile organic compounds is significant for ozone.
 - c. For the purposes of this definition, none of the following is a physical change or change in the method of operation:
 - i. Routine maintenance, repair, and replacement;
 - ii. Use of an alternative fuel or raw material by reason of an order under sections 2(a) and (b) of the Energy Supply and Environmental Coordination Act of 1974, 15 U.S.C. 792, or by reason of a natural gas curtailment plan under the Federal Power Act, 16 U.S.C. 792 - 825r;
 - iii. Use of an alternative fuel by reason of an order or rule under section 125 of the Act;
 - iv. Use of an alternative fuel at a steam generating unit to the extent that the fuel is generated from municipal solid waste;
 - ~~v. Use of an alternative fuel or raw material by a stationary source that either:~~
 - ~~(1) The source was capable of accommodating before December 12, 1976, unless the change would be prohibited under any federally enforceable permit condition established after December 12, 1976, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter; or~~
 - ~~(2) The source is approved to use under any permit issued under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.~~
 - ~~vi. An increase in the hours of operation or in the production rate, unless the change would be prohibited under any federally enforceable permit condition established after December 12, 1976, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.~~
 - v. For purposes of determining the applicability of R18-2-403 through R18-2-405 or R18-2-411, any of the following:
 - (1) Use of an alternative fuel or raw material by a stationary source that the source was capable of accommodating before December 21, 1976, unless the change would be prohibited under any federally enforceable permit condition established after December 12, 1976 under 40 CFR 52.21 or under Articles 3 or 4 of this Chapter; or
 - (2) Use of an alternative fuel or raw material by a stationary source that the source is approved to use under any permit issued under R18-2-403;
 - (3) An increase in the hours of operation or in the production rate, unless the change would be prohibited under any federally enforceable permit condition established after December 21, 1976, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.
 - vi. For purposes of determining the applicability of R18-2-406 through R18-2-408 or R18-2-410, any of the following:
 - (1) Use of an alternative fuel or raw material by a stationary source that the source was capable of accommodating before January 6, 1975, unless the change would be prohibited under any federally enforceable permit condition established after January 6, 1975 under 40 CFR 52.21 or under Articles 3 or 4 of this Chapter;
 - (2) Use of an alternative fuel or raw material by a stationary source that the source is approved to use under any per-



- mit issued under 40 CFR 52.21, or under R18-2-406; or
- (3) An increase in the hours of operation or in the production rate, unless the change would be prohibited under any federally enforceable permit condition established after January 6, 1975, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.
- vii. Any change in ownership at a stationary source;
- viii. [Reserved.]
- ix. The installation, operation, cessation, or removal of a temporary clean coal technology demonstration project, if the project complies with:
- (1) The SIP, and
 - (2) Other requirements necessary to attain and maintain the national ambient air quality standards during the project and after it is terminated;
- x. For electric utility steam generating units located in attainment and unclassifiable areas only, the installation or operation of a permanent clean coal technology demonstration project that constitutes repowering, if the project does not result in an increase in the potential to emit any regulated pollutant emitted by the unit. This exemption applies on a pollutant-by-pollutant basis; and
- xi. For electric utility steam generating units located in attainment and unclassifiable areas only, the reactivation of a very clean coal-fired electric utility steam generating unit.
- d. This definition shall not apply with respect to a particular regulated NSR pollutant when the major source is complying with the requirements of R18-2-412 for a PAL for that regulated NSR pollutant. Instead, the definition of PAL major modification in ~~R18-2-401(17)~~ R18-2-401(20) shall apply.
75. “Major source” means:
- a. A major source as defined in R18-2-401.
 - b. A major source under section 112 of the Act:
 - i. For pollutants other than radionuclides, any stationary source that emits or has the potential to emit, in the aggregate, including fugitive emission 10 tons per year (tpy) or more of any hazardous air pollutant which has been listed pursuant to section 112(b) of the Act, 25 tpy or more of any combination of such hazardous air pollutants, or such lesser quantity as described in Article 11 of this Chapter. Notwithstanding the preceding sentence, emissions from any oil or gas exploration or production well (with its associated equipment) and emissions from any pipeline compressor or pump station shall not be aggregated with emissions from other similar units, whether or not such units are in a contiguous area or under common control, to determine whether such units or stations are major sources; or
 - ii. For radionuclides, “major source” shall have the meaning specified by the Administrator by rule.
 - c. A major stationary source, as defined in section 302 of the Act, that directly emits or has the potential to emit, 100 tpy or more of any air pollutant including any major source of fugitive emissions of any such pollutant. The fugitive emissions of a stationary source shall not be considered in determining whether it is a major stationary source for the purposes of section 302(j) of the Act, unless the source belongs to a section 302(j) category.
76. “Malfunction” means any sudden and unavoidable failure of air pollution control equipment, process equipment or a process to operate in a normal and usual manner, but does not include failures that are caused by poor maintenance, careless operation or any other upset condition or equipment breakdown which could have been prevented by the exercise of reasonable care.
77. “Minor source” means a source of air pollution which is not a major source for the purposes of Article 4 of this Chapter and over which the Director, acting pursuant to A.R.S. § 49-402(B), has asserted jurisdiction.
78. “Minor source baseline area” means the air quality control region in which the source is located.
79. “Mobile source” means any combustion engine, device, machine or equipment that operates during transport and that emits or generates air contaminants whether in motion or at rest. A.R.S. § 49-401.01(23).
80. “Modification” or “modify” means a physical change in or change in the method of operation of a source that increases the emissions of any regulated air pollutant emitted by such source by more than any relevant de minimis amount or that results in the emission of any regulated air pollutant not previously emitted by more than such de minimis amount. An increase in emissions at a minor source shall be determined by comparing the source’s potential to emit before and after the modification. The following exemptions apply:
- a. A physical or operational change does not include routine maintenance, repair or replacement.
 - b. An increase in the hours of operation or if the production rate is not considered an operational change unless such increase is prohibited under any permit condition that is legally and practically enforceable by the department.
 - c. A change in ownership at a source is not considered a modification. A.R.S. § 49-401.01(24).
81. “Monitoring device” means the total equipment, required under the applicable provisions of this Chapter, used to measure and record, if applicable, process parameters.
82. “Motor vehicle” means any self-propelled vehicle designed for transporting persons or property on public highways.
83. “Multiple chamber incinerator” means three or more refractory-lined combustion chambers in series, physically separated by refractory walls and interconnected by gas passage ports or ducts.
84. “Natural conditions” includes naturally occurring phenomena that reduce visibility as measured in terms of light extinction, visual range, contrast, or coloration.
85. “National ambient air quality standard” means the ambient air pollutant concentration limits established by the Administrator pursuant to section 109 of the Act. A.R.S. § 49-401.01(25).
86. “National emission standards for hazardous air pollutants” or “NESHAP” means standards adopted by the Administrator under section 112 of the Act.
- ~~86~~87. “Necessary preconstruction approvals or permits” means those permits or approvals required under the Act and those air quality control laws and rules which are part of the SIP.
- ~~87~~88. “Net emissions increase” means:



- a. The amount by which the sum of subsections ~~(87)(a)(i)~~ (88)(a)(i) and (ii) exceeds zero:
 - i. The increase in emissions of a regulated NSR pollutant from a particular physical change or change in the method of operation at a stationary source as calculated pursuant to R18-2-402(D); and
 - ii. Any other increases and decreases in actual emissions of the regulated NSR pollutant at the source that are contemporaneous with the particular change and are otherwise creditable.
 - iii. For purposes of calculating increases and decreases in actual emissions under subsection ~~(87)(a)(ii)~~ (88)(a)(ii), baseline actual emissions shall be determined as provided in the definition of baseline actual emissions in R18-2-401(2), except that ~~subsections R18-2-401(a)(iii) R18-2-401(2)(a)(iii)~~ and (b)(iv) shall not apply.
 - b. An increase or decrease in actual emissions is contemporaneous with the increase from the particular change only if it occurs between:
 - i. The date five years before a complete application for a permit or permit revision authorizing the particular change is submitted or actual construction on of the particular change commences begins, whichever occurs earlier, and
 - ii. The date that the increase from the particular change occurs.
 - c. For purposes of determining the applicability of R18-2-403 through R18-2-405 or R18-2-411, an increase or decrease in actual emissions is creditable only if the Director has not relied on it in issuing a permit or permit revision under R18-2-403, which permit is in effect when the increase in actual emissions from the particular change occurs. For purposes of determining the applicability of R18-2-406 through R18-2-408 or R18-2-410, an increase or decrease in actual emissions is creditable only if the Director has not relied on it in issuing a permit under R18-2-406, which permit is in effect when the increase in actual emissions from the particular change occurs.
 - d. An increase or decrease in actual emissions of sulfur dioxide, nitrogen oxides, ~~or PM₁₀ or PM_{2.5}~~ which occurs before the applicable minor source baseline date, as ~~described~~ defined in R18-2-218, is creditable only if it is required to be considered in calculating the amount of maximum allowable increases remaining available.
 - e. An increase in actual emissions is creditable only to the extent that the new level of actual emissions exceeds the old level.
 - f. A decrease in actual emissions is creditable only to the extent that it satisfies all of the following conditions:
 - i. The old level of actual emissions or the old level of allowable emissions, whichever is lower, exceeds the new level of actual emissions.
 - ii. It is enforceable as a practical matter at and after the time that actual construction on the particular change begins.
 - iii. It has approximately the same qualitative significance for public health and welfare as that attributed to the increase from the particular change.
 - iv. The emissions unit was actually operated and emitted the specific pollutant.
 - v. For a source located in an area designated as nonattainment for the regulated NSR pollutant purposes of determining the applicability of R18-2-403 through R18-2-405 or R18-2-411, the Director has not relied on it in issuing any permit, permit revision, or registration under Article 4, R18-2-302.01, or R18-2-334, and the state has not relied on it in demonstrating attainment or reasonable further progress.
 - g. An increase that results from a physical change at a source occurs when the emissions unit on which construction occurred becomes operational and begins to emit a particular pollutant. Any emissions replacement unit, as defined in R18-2-401(24), that replaces an existing emissions unit and that requires shakedown becomes operational only after a reasonable shakedown period, not to exceed 180 days.
 - h. Subsection (2)(a) shall not apply for determining creditable increases and decreases.
- ~~8889.~~ "New source" means any stationary source of air pollution which is subject to ~~an applicable~~ a new source performance standard under Article 9 of this Chapter.
- ~~90.~~ "New source performance standards" or "NSPS" means standards adopted by the Administrator under section 111(b) of the Act.
- ~~8991.~~ "Nitric acid plant" means any facility producing nitric acid 30% to 70% in strength by either the pressure or atmospheric pressure process.
- ~~9092.~~ "Nitrogen oxides" means all oxides of nitrogen except nitrous oxide, as measured by test methods set forth in the Appendices to 40 CFR 60.
- ~~9493.~~ "Nonattainment area" means an area so designated by the Administrator acting pursuant to section 107 of the Act as exceeding national primary or secondary ambient air standards for a particular pollutant or pollutants.
- ~~9294.~~ "Nonpoint source" means a source of air contaminants which lacks an identifiable plume or emission point.
- ~~9395.~~ "Opacity" means the degree to which emissions reduce the transmission of light and obscure the view of an object in the background.
- ~~9496.~~ "Operation" means any physical or chemical action resulting in the change in location, form, physical properties, or chemical character of a material.
- ~~9597.~~ "Owner or operator" means any person who owns, leases, operates, controls, or supervises an affected facility or a stationary source.
- ~~9698.~~ "Particulate matter" means any airborne finely divided solid or liquid material with an aerodynamic diameter smaller than 100 micrometers.
- ~~9799.~~ "Particulate matter emissions" means all finely divided solid or liquid materials other than uncombined water, emitted to the ambient air as measured by applicable test methods and procedures described in R18-2-311.
- ~~98100.~~ "Permitting authority" means the department or a county department, agency or air pollution control district that is charged with enforcing a permit program adopted pursuant to A.R.S. § 49-480(A). A.R.S. § 49-401.01(28).
- ~~99101.~~ "Permitting exemption thresholds" for a regulated minor NSR pollutant means the following:

Regulated Air Pollutant	Emission Rate in tons per year (TPY)
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PM _{2.5} (primary emissions only; levels for precursors are set below)	5
PM ₁₀	7.5
SO ₂	20
NO _x	20
VOC	20
CO	50
Pb	0.3

- ~~100~~102. “Person” means any public or private corporation, company, partnership, firm, association or society of persons, the federal government and any of its departments or agencies, the state and any of its agencies, departments or political subdivisions, as well as a natural person.
- ~~101~~103. “Planning agency” means an organization designated by the governor pursuant to 42 U.S.C. 7504. A.R.S. § 49-401.01(29).
- ~~102~~102. “Predictive Emissions Monitoring System” or “PEMS” means the total equipment, required under the emission monitoring provisions in this Chapter, to monitor process and control device operational parameters and other information, and calculate and record the mass emissions rate on a continuous basis.
- ~~103~~104. “PM_{2.5}” means particulate matter with an aerodynamic diameter less than or equal to a nominal 2.5 micrometers as measured by a reference method based on 40 CFR 50 Appendix L, or by an equivalent method designated according to 40 CFR 53.
- ~~104~~105. “PM₁₀” means particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers as measured by a reference method contained within 40 CFR 50 Appendix J or by an equivalent method designated in accordance with 40 CFR 53.
- ~~105~~106. “PM₁₀ emissions” means finely divided solid or liquid material, with an aerodynamic diameter less than or equal to a nominal 10 micrometers emitted to the ambient air as measured by applicable test methods and procedures described in R18-2-311.
- ~~106~~107. “Plume” means visible effluent.
- ~~107~~108. “Pollutant” means an air contaminant the emission or ambient concentration of which is regulated pursuant to this Chapter.
- ~~108~~109. “Portable source” means any building, structure, facility, or installation subject to regulation pursuant to A.R.S. § 49-426 which emits or may emit any air pollutant and stationary source that is capable of being operated at more than one location.
- ~~109~~110. “Potential to emit” or “potential emission rate” means the maximum capacity of a stationary source to emit a pollutant, excluding secondary emissions, under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation or the effect it would have on emissions is legally and practically enforceable by the Department or a county under A.R.S. Title 49, Chapter 3; any rule, ordinance, order or permit adopted or issued under A.R.S. Title 49, Chapter 3 or the state implementation plan.
111. “Predictive Emissions Monitoring System” or “PEMS” means the total equipment, required under the emission monitoring provisions in this Chapter, to monitor process and control device operational parameters (for example, control device secondary voltages and electric currents) and other information (for example, gas flow rate, O₂ or CO₂ concentrations), and calculate and record the mass emissions rate (for example, lb/hr) on a continuous basis.
- ~~110~~112. “Primary ambient air quality standards” means the ambient air quality standards which define levels of air quality necessary, with an adequate margin of safety, to protect the public health, as specified in Article 2 of this Chapter.
- ~~111~~113. “Process” means one or more operations, including equipment and technology, used in the production of goods or services or the control of by-products or waste.
- ~~112~~114. “Project” means a physical change in, or change in the method of operation of, an existing major source.
115. “Proposed final permit” means the version of a Class I permit or Class I permit revision that the Department proposes to issue and forwards to the Administrator for review in compliance with R18-2-307(A). A proposed final permit constitutes a final and enforceable authorization to begin actual construction of, but not to operate, a new Class I source or a modification to a Class I source.
- ~~113~~116. “Proposed permit” means the version of a permit for which the Director offers public participation under R18-2-330 or affected state review under R18-2-307(D).
- ~~114~~114. “Proposed final permit” means the version of a Class I permit or Class I permit revision that the Department proposes to issue and forwards to the Administrator for review in compliance with R18-2-307(A).
- ~~115~~117. “Reactivation of a very clean coal-fired electric utility steam generating unit” means any physical change or change in the method of operation associated with commencing commercial operations by a coal-fired utility unit after a period of discontinued operation if the unit:
- Has not been in operation for the two-year period before enactment of the Clean Air Act Amendments of 1990, and the emissions from the unit continue to be carried in the Director’s emissions inventory at the time of enactment;
 - Was equipped before shutdown with a continuous system of emissions control that achieves a removal efficiency for sulfur dioxide of no less than 85% and a removal efficiency for particulates of no less than 98%;
 - Is equipped with low-NO_x burners before commencement of operations following reactivation; and
 - Is otherwise in compliance with the Act.
- ~~116~~118. “Reasonable further progress” means the schedule of emission reductions defined within a nonattainment area plan as being necessary to come into compliance with a national ambient air quality standard by the primary standard attainment date.



- ~~447~~119. “Reasonably available control technology” (RACT) means devices, systems, process modifications, work practices or other apparatus or techniques that are determined by the Director to be reasonably available taking into account:
- The necessity of imposing the controls in order to attain and maintain a national ambient air quality standard;
 - The social, environmental, energy and economic impact of the controls;
 - Control technology in use by similar sources; and
 - The capital and operating costs and technical feasibility of the controls.
- ~~448~~120. “Reclaiming machinery” means any machine, equipment device or other article used for picking up stored granular material and either depositing this material on a conveyor or reintroducing this material into the process.
- ~~449~~121. “Reference method” means the methods of sampling and analyzing for an air pollutant as described in the Arizona Testing Manual; 40 CFR 50, Appendices A through K; 40 CFR 51, Appendix M; 40 CFR 52, Appendices D and E; 40 CFR 60, Appendices A through F; and 40 CFR 61, Appendices B and C, as incorporated by reference in 18 A.A.C. 2, Appendix 2.
- ~~420~~122. “Regulated air pollutant” means any of the following:
- Any conventional air pollutant.
 - Nitrogen oxides and volatile organic compounds.
 - ~~Any air contaminant that is subject to a standard contained in Article 9 of this Chapter~~ pollutant that is subject to a new source performance standard.
 - ~~Any hazardous air pollutant as defined in Article 17 of this Chapter~~ pollutant that is subject to a national emission standard for hazardous air pollutants or other requirements established under section 112 of the Act, including sections 112(g), (j), and (r), including the following:
 - ~~Any pollutant subject to requirements under section 112(j) of the act. If the administrator fails to promulgate a standard by the date established pursuant to section 112(e) of the act, any pollutant for which a subject source would be major shall be considered to be regulated on the date 18 months after the applicable date established pursuant to section 112(e) of the Act; and~~
 - ~~Any pollutant for which the requirements of section 112(g)(2) of the Act have been met, but only with respect to the individual source subject to the section 112(g)(2) requirement.~~
 - Any Class I or II substance ~~listed in section 602~~ subject to a standard promulgated under title VI of the Act.
- ~~424~~123. “Regulated minor NSR pollutant” means any pollutant for which a national ambient air quality standard has been promulgated and the following precursors for such pollutants:
- VOC and nitrogen oxides as precursors to ozone.
 - Nitrogen oxides and sulfur dioxide as precursors to PM_{2.5}.
- ~~422~~124. “Regulated NSR pollutant” ~~means any of the following~~ is defined as follows:
- ~~Any~~ For purposes of determining the applicability of R18-2-403 through R18-2-405 and R18-2-411, regulated NSR pollutant means any pollutant for which a national ambient air quality standard has been promulgated and any pollutant identified under this subsection as a constituent of or precursor to such pollutant, provided that such constituent or precursor pollutant may only be regulated under NSR as part of the regulation of the general pollutant. Precursors for purposes of NSR are the following:
 - Volatile organic compounds and nitrogen oxides are precursors to ozone in all areas.
 - Sulfur dioxide is a precursor to PM_{2.5} in all areas.
 - Nitrogen oxides are precursors to PM_{2.5} in all areas.
 - VOC and ammonia are precursors to PM_{2.5} in PM_{2.5} nonattainment areas.
 - ~~For all other purposes, regulated NSR pollutant means the pollutants identified in subsection (a) and the following:~~
 - ~~Any pollutant that is subject to any standard promulgated under Article 9 of this Chapter~~ new source performance standard except greenhouse gases as defined in 40 CFR 86.1818-12(a).
 - ~~Any Class I or II substance subject to a standard promulgated under or established by Title VI of the Act as of July 1, 2011.~~
 - ~~Reserved.~~ Any pollutant that is otherwise subject to regulation under the Act, except greenhouse gases as defined in 40 CFR 86.1818-12(a).
 - Notwithstanding subsections ~~(122)(a) (124)(a) through (d) and (b)~~, the term regulated NSR pollutant shall not include any or all hazardous air pollutants either listed under ~~R18-2-1104~~ in section 112 of the Act, or added to the list pursuant to section 112(b)(2) of the Act, unless the listed hazardous air pollutant is also regulated as a constituent or precursor of a general pollutant listed under section 108 of the Act ~~as of July 1, 2010~~.
 - ~~Particulate matter emissions~~, PM_{2.5} emissions; and PM₁₀ emissions shall include gaseous emissions from a source or activity which condense to form particulate matter at ambient temperatures. On and after January 1, 2011, condensable particulate matter shall be accounted for in applicability determinations and in establishing emissions limitations for particulate matter, PM_{2.5} and PM₁₀ in permits issued under Article 4.
- ~~423~~125. “Repowering” means:
- Replacing an existing coal-fired boiler with one of the following clean coal technologies:
 - Atmospheric or pressurized fluidized bed combustion;
 - Integrated gasification combined cycle;
 - Magnetohydrodynamics;
 - Direct and indirect coal-fired turbines;
 - Integrated gasification fuel cells; or
 - As determined by the Administrator, in consultation with the United States Secretary of Energy, a derivative of one or more of the above technologies; and



- vii. Any other technology capable of controlling multiple combustion emissions simultaneously with improved boiler or generation efficiency and with significantly greater waste reduction relative to the performance of technology in wide-spread commercial use as of November 15, 1990.
- b. Repowering also includes any oil, gas, or oil and gas-fired unit that has been awarded clean coal technology demonstration funding as of January 1, 1991, by the United States Department of Energy.
- c. The Director shall give expedited consideration to permit applications for any source that satisfies the requirements of this subsection (and) is granted an extension under section 409 of the Act.
- ~~124~~126. “Run” means the net period of time during which an emission sample is collected, which may be, unless otherwise specified, either intermittent or continuous within the limits of good engineering practice.
- ~~125.~~ “SCREEN model” means the AERSCREEN air dispersion model published by the Administrator in April 2011 and available on the Support Center for Regulatory Atmospheric Modeling web site: <http://www.epa.gov/ttn/seram>.
- ~~126~~127. “Secondary ambient air quality standards” means the ambient air quality standards which define levels of air quality necessary to protect the public welfare from any known or anticipated adverse effects of a pollutant, as specified in Article 2 of this Chapter.
- ~~127~~128. “Secondary emissions” means emissions which are specific, well defined, quantifiable, occur as a result of the construction or operation of a major source or major modification, but do not come from the major source or major modification itself, and impact the same general area as the stationary source or modification which causes the secondary emissions. Secondary emissions include emissions from any offsite support facility which would not otherwise be constructed or increase its emissions except as a result of the construction or operation of the major source or major modification. Secondary emissions do not include any emissions which come directly from a mobile source, such as emissions from the tailpipe of a motor vehicle, from a train, or from a vessel.
- ~~128~~129. “Section 302(j) category” means:
 - a. Any of the classes of sources listed in the definition of categorical source in subsection (23); or
 - b. Any category of affected facility which, as of August 7, 1980, is being regulated under section 111 or 112 of the Act.
- ~~129~~130. “Shutdown” means the cessation of operation of any air pollution control equipment or process equipment for any purpose, except routine phasing out of process equipment.
- ~~130~~131. “Significant” means, in reference to a significant emissions increase, a net emissions increase, ~~or~~ a stationary source’s potential to emit or a stationary source’s maximum capacity to emit with any elective limits as defined in R18-2-301(13):
 - a. A rate of emissions of conventional pollutants that would equal or exceed any of the following ~~rates~~:

Pollutant	Emissions Rate
Carbon monoxide	100 tons per year (tpy)
Nitrogen oxides	40 tpy
Sulfur dioxide	40 tpy
Particulate matter	25 tpy
PM ₁₀	15 tpy
PM _{2.5}	10 tpy of direct PM _{2.5} emissions; 40 tpy of sulfur dioxide emissions; 40 tpy of nitrogen oxide emissions.
VOC Ozone	40 tpy of VOC or nitrogen oxides
Lead	0.6 tpy

- b. For purposes of determining the applicability of R18-2-302(B)(2) or R18-2-406, in addition to the rates specified in subsection (131)(a), a rate of emissions of non-conventional pollutants that would equal or exceed any of the following:

<u>Pollutant</u>	<u>Emissions Rate</u>
<u>Particulate matter</u>	<u>25 tpy</u>
Fluorides	3 tpy
Sulfuric acid mist	7 tpy
Hydrogen sulfide (H ₂ S)	10 tpy
Total reduced sulfur (including H ₂ S)	10 tpy
Reduced sulfur compounds (including H ₂ S)	10 tpy



Municipal waste combustor organics (measured as total tetra-through octa-chlorinated dibenzo-p-dioxins and dibenzofurans) 3.5 x 10⁻⁶ tpy

Municipal waste combustor metals (measured as particulate matter) 15 tpy

Municipal waste combustor acid gases (measured as sulfur dioxide and hydrogen chloride) 40 tpy

Municipal solid waste landfill emissions (measured as nonmethane organic compounds) 50 tpy

Any regulated NSR pollutant not specifically listed in this subsection (or) subsection (131)(a). Any emission rate

- bc. In ozone nonattainment areas classified as serious or severe, ~~significant emissions of~~ the emission rate for nitrogen oxides and or VOC shall be determined under R18-2-405.
- ed. In a carbon monoxide nonattainment area classified as serious, a rate of emissions that would equal or exceed 50 tons per year, if the Administrator has determined that stationary sources contribute significantly to carbon monoxide levels in that area.
- e. In PM_{2.5} nonattainment areas, 40 tons per year of VOC as a precursor of PM_{2.5}.
- d. ~~For a regulated NSR pollutant that is not listed in subsection (130)(a), any emission rate.~~
- ef. Notwithstanding the emission rates listed in subsection ~~(130)(a)~~, (131)(a) or (b), for purposes of determining the applicability of R18-2-406, any emissions rate or any net emissions increase associated with a major source or major modification, which would be constructed within 10 kilometers of a Class I area and have an impact on the ambient air quality of such area equal to or greater than 1 ~~mg/m3~~ ug/m3 (24-hour average).
- ~~132~~132. "Significant emissions increase" means, for a regulated NSR pollutant, an increase in emissions that is significant as defined in this Section for that pollutant.
- ~~132~~133. "Smoke" means particulate matter resulting from incomplete combustion.
- ~~133~~134. "Source" means any building, structure, facility or installation that may cause or contribute to air pollution or the use of which may eliminate, reduce or control the emission of air pollution. A.R.S. § 49-401.01(23).
- ~~134~~135. "Stack" means any point in a source designed to emit solids, liquids, or gases into the air, including a pipe or duct but not including flares.
- ~~135~~136. "Stack in existence" means that the owner or operator had either:
 - a. Begun, or caused to begin, a continuous program of physical onsite construction of the stack;
 - b. Entered into binding agreements or contractual obligations, which could not be cancelled or modified without substantial loss to the owner or operator, to undertake a program of construction of the stack to be completed in a reasonable time.
- ~~136~~137. "Start-up" means the setting into operation of any air pollution control equipment or process equipment for any purpose except routine phasing in of process equipment.
- ~~137~~138. "State implementation plan" or "SIP" means the accumulated record of enforceable air pollution control measures, programs and plans adopted by the Director and submitted to and approved by the Administrator pursuant to 42 U.S.C. 7410.
- ~~138~~139. "Stationary rotating machinery" means any gas engine, diesel engine, gas turbine, or oil fired turbine operated from a stationary mounting and used for the production of electric power or for the direct drive of other equipment.
- ~~139~~140. "Stationary source" means any building, structure, facility or installation ~~subject to regulation pursuant to A.R.S. § 49-426(A)~~ which emits or may emit any regulated NSR pollutant, any regulated air pollutant or any pollutant listed under section 112(b) of the act. "Building," "structure," "facility," or "installation" means all of the pollutant-emitting activities which belong to the same industrial grouping, are located on one or more contiguous or adjacent properties, and are under the control of the same person or persons under common control. Pollutant-emitting activities shall be considered as part of the same industrial grouping if they belong to the same "Major Group" as described in the "Standard Industrial Classification Manual, 1987."
- 141. "Subject to regulation" means, for any air pollutant, that the pollutant is subject to either a provision in the Act, or a nationally-applicable regulation codified by the administrator in 40 CFR chapter I, subchapter C, that requires actual control of the quantity of emissions of that pollutant, and that such a control requirement has taken effect and is operative to control, limit or restrict the quantity of emissions of that pollutant released from the regulated activity.



- ~~140~~142 “Sulfuric acid plant” means any facility producing sulfuric acid by the contact process by burning elemental sulfur, alkylation acid, hydrogen sulfide, or acid sludge, but does not include facilities where conversion to sulfuric acid is utilized as a means of preventing emissions of sulfur dioxide or other sulfur compounds to the atmosphere.
- ~~144~~143 “Temporary clean coal technology demonstration project” means a clean coal technology demonstration project operated for five years or less, and that complies with the applicable implementation plan and other requirements necessary to attain and maintain the national ambient air quality standards during the project and after the project is terminated.
- ~~142~~144 “Temporary source” means a source which is portable, as defined in A.R.S. § 49-401.01(23) and which is not an affected source.
- ~~143~~145 “Total reduced sulfur” (TRS) means the sum of the sulfur compounds, primarily hydrogen sulfide, methyl mercaptan, dimethyl sulfide, and dimethyl disulfide, that are released during kraft pulping and other operations and measured by Method 16 in 40 CFR 60, Appendix A.
- ~~144~~146 “Trivial activities” means activities and emissions units, such as the following, that may be omitted from a permit or registration application. Certain of the following listed activities include qualifying statements intended to exclude similar activities:
- a. Low-Emitting Combustion
 - i. Combustion emissions from propulsion of mobile sources;
 - ii. Emergency or backup electrical generators at residential locations;
 - iii. Portable electrical generators that can be moved by hand from one location to another. “Moved by hand” means capable of being moved without the assistance of any motorized or non-motorized vehicle, conveyance, or device;
 - b. Low- Or Non-Emitting Industrial Activities
 - i. Blacksmith forges;
 - ii. Hand-held or manually operated equipment used for buffing, polishing, carving, cutting, drilling, sawing, grinding, turning, routing or machining of ceramic art work, precision parts, leather, metals, plastics, fiberboard, masonry, carbon, glass, or wood;
 - iii. Brazing, soldering, and welding equipment, and cutting torches related to manufacturing and construction activities that do not result in emission of HAP metals. Brazing, soldering, and welding equipment, and cutting torches related to manufacturing and construction activities that emit HAP metals are insignificant activities based on size or production level thresholds. Brazing, soldering, and welding equipment, and cutting torches directly related to plant maintenance and upkeep and repair or maintenance shop activities that emit HAP metals are treated as trivial and listed separately in this definition;
 - iv. Drop hammers or hydraulic presses for forging or metalworking;
 - v. Air compressors and pneumatically operated equipment, including hand tools;
 - vi. Batteries and battery charging stations, except at battery manufacturing plants;
 - vii. Drop hammers or hydraulic presses for forging or metalworking;
 - viii. Equipment used exclusively to slaughter animals, not including other equipment at slaughterhouses, such as rendering cookers, boilers, heating plants, incinerators, and electrical power generating equipment;
 - ix. Hand-held applicator equipment for hot melt adhesives with no VOC in the adhesive formulation;
 - x. Equipment used for surface coating, painting, dipping, or spraying operations, except those that will emit VOC or HAP;
 - xi. CO2 lasers used only on metals and other materials that do not emit HAP in the process;
 - xii. Electric or steam-heated drying ovens and autoclaves, but not the emissions from the articles or substances being processed in the ovens or autoclaves or the boilers delivering the steam;
 - xiii. Salt baths using nonvolatile salts that do not result in emissions of any regulated air pollutants;
 - xiv. Laser trimmers using dust collection to prevent fugitive emissions;
 - xv. Process water filtration systems and demineralizers;
 - xvi. Demineralized water tanks and demineralizer vents;
 - xvii. Oxygen scavenging or de-aeration of water;
 - xviii. Ozone generators;
 - xix. Steam vents and safety relief valves;
 - xx. Steam leaks; and
 - xxi. Steam cleaning operations and steam sterilizers;
 - xxii. Use of vacuum trucks and high pressure washer/cleaning equipment within the stationary source boundaries for cleanup and in-source transfer of liquids and slurried solids to waste water treatment units or conveyances;
 - xxiii. Equipment using water, water and soap or detergent, or a suspension of abrasives in water for purposes of cleaning or finishing.
 - xxiv. Electric motors.
 - c. Building and Site Maintenance Activities
 - i. Plant and building maintenance and upkeep activities, including grounds-keeping, general repairs, cleaning, painting, welding, plumbing, re-tarring roofs, installing insulation, and paving parking lots, if these activities are not conducted as part of a manufacturing process, are not related to the source’s primary business activity, and do not otherwise trigger a permit revision. Cleaning and painting activities qualify as trivial activities if they are not subject to VOC or hazardous air pollutant control requirements;
 - ii. Repair or maintenance shop activities not related to the source’s primary business activity, not including emissions from surface coating, de-greasing, or solvent metal cleaning activities, and not otherwise triggering a permit revision;
 - iii. Janitorial services and consumer use of janitorial products;
 - iv. Landscaping activities;
 - v. Routine calibration and maintenance of laboratory equipment or other analytical instruments;



- vi. Sanding of streets and roads to abate traffic hazards caused by ice and snow;
 - vii. Street and parking lot striping;
 - viii. Caulking operations which are not part of a production process.
 - d. Incidental, Non-Industrial Activities
 - i. Air-conditioning units used for human comfort that do not have applicable requirements under Title VI of the Act;
 - ii. Ventilating units used for human comfort that do not exhaust air pollutants into the ambient air from any manufacturing, industrial or commercial process;
 - iii. Tobacco smoking rooms and areas;
 - iv. Non-commercial food preparation;
 - v. General office activities, such as paper shredding, copying, photographic activities, pencil sharpening and blueprinting, but not including incineration;
 - vi. Laundry activities, except for dry-cleaning and steam boilers;
 - vii. Bathroom and toilet vent emissions;
 - viii. Fugitive emissions related to movement of passenger vehicles, if the emissions are not counted for applicability purposes under subsection ~~(144)(e)~~ (146)(c) of the definition of major source in this Section and any required fugitive dust control plan or its equivalent is submitted with the application;
 - ix. Use of consumer products, including hazardous substances as that term is defined in the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.) where the product is used at a source in the same manner as normal consumer use;
 - x. Activities directly used in the diagnosis and treatment of disease, injury or other medical condition;
 - xi. Circuit breakers;
 - xii. Adhesive use which is not related to production.
 - e. Storage, Piping and Packaging
 - i. Storage tanks, vessels, and containers holding or storing liquid substances that will not emit any VOC or HAP;
 - ii. Storage tanks, reservoirs, and pumping and handling equipment of any size containing soaps, vegetable oil, grease, animal fat, and nonvolatile aqueous salt solutions, if appropriate lids and covers are used;
 - iii. Chemical storage associated with water and wastewater treatment where the water is treated for consumption and/or use within the permitted facility;
 - iv. Chemical storage associated with water and wastewater treatment where the water is treated for consumption and/or use within the permitted facility;
 - v. Storage cabinets for flammable products;
 - vi. Natural gas pressure regulator vents, excluding venting at oil and gas production facilities;
 - vii. Equipment used to mix and package soaps, vegetable oil, grease, animal fat, and nonvolatile aqueous salt solutions, if appropriate lids and covers are used;
 - f. Sampling and Testing
 - i. Vents from continuous emissions monitors and other analyzers;
 - ii. Bench-scale laboratory equipment used for physical or chemical analysis, but not laboratory fume hoods or vents;
 - iii. Equipment used for quality control, quality assurance, or inspection purposes, including sampling equipment used to withdraw materials for analysis;
 - iv. Hydraulic and hydrostatic testing equipment;
 - v. Environmental chambers not using HAP gases;
 - vi. Soil gas sampling;
 - vii. Individual sampling points, analyzers, and process instrumentation, whose operation may result in emissions but that are not regulated as emission units;
 - g. Safety Activities
 - i. Fire suppression systems;
 - ii. Emergency road flares;
 - h. Miscellaneous Activities
 - i. Shock chambers;
 - ii. Humidity chambers;
 - iii. Solar simulators;
 - iv. Cathodic protection systems;
 - v. High voltage induced corona; and
 - vi. Filter draining.
- ~~145~~147. "Unclassified area" means an area which the Administrator, because of a lack of adequate data, is unable to classify as an attainment or nonattainment area for a specific pollutant, and which, for purposes of this Chapter, is treated as an attainment area.
- ~~146~~148. "Uncombined water" means condensed water containing analytical trace amounts of other chemical elements or compounds.
- ~~147~~149. "Urban or suburban open area" means an unsubdivided tract of land surrounding a substantial urban development of a residential, industrial, or commercial nature and which, though near or within the limits of a city or town, may be uncultivated, used for agriculture, or lie fallow.
- ~~148~~150. "Vacant lot" means a subdivided residential or commercial lot which contains no buildings or structures of a temporary or permanent nature.
- ~~149~~151. "Vapor" means the gaseous form of a substance normally occurring in a liquid or solid state.
- ~~150~~152. "Visibility impairment" means any humanly perceptible change in visibility (light extinction, visual range, contrast, coloration) from that which would have existed under natural conditions.



~~454~~153. “Visible emissions” means any emissions which are visually detectable without the aid of instruments and which contain particulate matter.

~~452~~154. “Volatile organic compounds” or “VOC” means any compound of carbon, excluding carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate, that participates in atmospheric photochemical reactions. This includes any such organic compound other than the following:

- a. Methane;
- b. Ethane;
- c. Methylene chloride (dichloromethane);
- d. 1,1,1-trichloroethane (methyl chloroform);
- e. 1,1,2-trichloro-1,2,2-trifluoroethane (CFC-113);
- f. Trichlorofluoromethane (CFC-11);
- g. Dichlorodifluoromethane (CFC-12);
- h. Chlorodifluoromethane (HCFC-22);
- i. Trifluoromethane (HFC-23);
- j. 1,2-dichloro 1,1,2,2-tetrafluoroethane (CFC-114);
- k. Chloropentafluoroethane (CFC-115);
- l. 1,1,1-trifluoro 2,2-dichloroethane (HCFC-123);
- m. 1,1,1,2-tetrafluoroethane (HFC-134(a));
- n. 1,1-dichloro 1-fluoroethane (HCFC-141(b));
- o. 1-chloro 1,1-difluoroethane (HCFC-142(b));
- p. 2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124);
- q. Pentafluoroethane (HFC-125);
- r. 1,1,2,2-tetrafluoroethane (HFC-134);
- s. 1,1,1-trifluoroethane (HFC-143(a));
- t. 1,1-difluoroethane (HFC-152(a));
- u. Parachlorobenzotrifluoride (PCBTf);
- v. Cyclic, branched, or linear completely methylated siloxanes;
- w. Acetone;
- x. Perchloroethylene (tetrachloroethylene);
- y. 3,3-dichloro-1,1,1,2,2-pentafluoropropane (HCFC-225(ca));
- z. 1,3-dichloro-1,1,2,2,3-pentafluoropropane (HCFC-225(cb));
- aa. 1,1,1,2,3,4,4,5,5,5-decafluoropentane (HFC 43-10mee);
- bb. Difluoromethane (HFC-32);
- cc. Ethylfluoride (HFC-161);
- dd. 1,1,1,3,3,3-hexafluoropropane (HFC-236(fa));
- ee. 1,1,2,2,3-pentafluoropropane (HFC-245(ca));
- ff. 1,1,2,3,3-pentafluoropropane (HFC-245(ea));
- gg. 1,1,1,2,3-pentafluoropropane (HFC-245(eb));
- hh. 1,1,1,3,3-pentafluoropropane (HFC-245(fa));
- ii. 1,1,1,2,3,3-hexafluoropropane (HFC-236(ea));
- jj. 1,1,1,3,3-pentafluorobutane (HFC-365(mfc));
- kk. Chlorofluoromethane (HCFC-31);
- ll. 1 chloro-1-fluoroethane (HCFC-151(a));
- mm. 1,2-dichloro-1,1,2-trifluoroethane (HCFC-123(a));
- nn. 1,1,1,2,2,3,3,4,4-nonafluoro-4-methoxy-butane ($C_4F_9OCH_3$);
- oo. 2-(difluoromethoxymethyl)-1,1,1,2,3,3,3-heptafluoropropane ($(CF_3)_2CFCF_2OCH_3$);
- pp. 1-ethoxy-1,1,2,2,3,3,4,4,4-nonafluorobutane ($C_4F_9OC_2H_5$);
- qq. 2-(ethoxydifluoromethyl)-1,1,1,2,3,3,3-heptafluoropropane ($(CF_3)_2CFCF_2OC_2H_5$);
- rr. Methyl acetate; and
- ss. 1,1,1,2,2,3,3-heptafluoro-3-methoxypropane ($n-C_3F_7OCH_3$, HFE—7000);
- tt. 3-ethoxy-1,1,1,2,3,4,4,5,5,6,6-dodecafluoro-2-(trifluoromethyl) hexane (HFE – 7500);
- uu. 1,1,1,2,3,3,3-hentafluoropropane (HFC 227ea);
- vv. Methyl formate ($HCOOCH_3$); and
- ww. (1) 1,1,1,2,2,3,4,5,5,5-decafluoro-3-methoxy-4-trifluoromethyl-pentane (HFE—7300);
- xx. Propylene carbonate;
- yy. Dimethyl carbonate; and
- zz. Trans -1,3,3,3-tetrafluoropropene;
- aaa. HCF2OCF2H (HFE-134);
- bbb. HCF2OCF2OCF2H (HFE-236(cal2));
- ccc. HCF2OCF2CF2OCF2H (HFE-338(pcc13));
- ddd. HCF2OCF2OCF2CF2OCF2H (H-Galden 1040x or H-Galden ZT 130 (or 150 or 180));
- eee. Trans 1-chloro-3,3,3-trifluoroprop-1-ene;
- fff. 2,3,3,3-tetrafluoropropene;
- ggg. 2-amino-2-methyl-1-propanol; and
- hhh. Perfluorocarbon compounds that fall into these classes:
 - i. Cyclic, branched, or linear, completely fluorinated alkanes.



- ii. Cyclic, branched, or linear, completely fluorinated ethers with no unsaturations.
 - iii. Cycle, branched, or linear, completely fluorinated tertiary amines with no unsaturations; or
 - iv. Sulfur containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.
- ~~aaaii~~ The following compound is VOC for purposes of all recordkeeping, emissions reporting, photochemical dispersion modeling and inventory requirements which apply to VOC and shall be uniquely identified in emission reports, but ~~are~~ is not VOC for purposes of VOC emissions limitations or VOC content requirements: t-butyl acetate.
- ~~153~~155 “Wood waste burner” means an incinerator designed and used exclusively for the burning of wood wastes consisting of wood slabs, scraps, shavings, barks, sawdust or other wood material, including those that generate steam as a by-product.

R18-2-102. Incorporated Materials

- A.** The following documents are incorporated by reference and are on file with the Office of the Secretary of State (1700 W. Washington St., Suite 103, Phoenix, AZ 85007) and the Department (1110 W. Washington St., Phoenix, AZ 85007):
1. Sections 1 and 7 of the Department’s “Arizona Testing Manual for Air Pollutant Emissions,” amended as of March 1992 (and no future editions).
 2. All ASTM test methods referenced in this Chapter as of the year specified in the reference (and no future amendments). They are available from the American Society for Testing and Materials, 1916 Race St., Philadelphia, PA 19103-1187.
 3. The U.S. Government Printing Office’s “Standard Industrial Classification Manual, 1987” (and no future editions).
- B.** The Code of Federal Regulations is published by the United States Government Printing Office, 732 North Capital Street, NW, Washington, DC 20401-0001, is on file with the Department of Environmental Quality, 1110 West Washington Street, Phoenix, Arizona 85007, and is available at the Arizona State Library, Archives & Public Records, 1700 West Washington Street, Phoenix, Arizona 85007 and at other Federal depository libraries in the state (see http://catalog.gpo.gov/fdlpdir/FDLPdir.jsp?st_12=AZ&flag=searchp). It is also available online at <http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR>.

ARTICLE 2. AMBIENT AIR QUALITY STANDARDS; AREA DESIGNATIONS; CLASSIFICATIONS

R18-2-201. Particulate Matter: PM₁₀ and PM_{2.5}

- A.** PM₁₀ Standards
1. The level of the primary and secondary ambient air quality standards for PM₁₀ is 150 micrograms per cubic meter of PM₁₀ – 24-hour average concentration.
 2. To determine attainment of the primary and secondary standards, a person shall measure PM₁₀ in the ambient air by:
 - a. A reference method based on 40 CFR 50, Appendix J, and designated according to 40 CFR 53; or
 - b. An equivalent method designated according to 40 CFR 53.
 3. The primary and secondary 24-hour ambient air quality standards for PM₁₀ are attained when the expected number of days per calendar year with a 24-hour average concentration above 150 micrograms per cubic meter, determined according to 40 CFR 50, Appendix K, is less than or equal to one.
- B.** PM_{2.5} Standards
1. The primary ambient air quality standards for PM_{2.5} are:
 - a. ~~45~~ 12 micrograms per cubic meter of PM_{2.5} – annual arithmetic mean concentration.
 - b. 35 micrograms per cubic meter of PM_{2.5} – 24-hour average concentration.
 2. The secondary ambient air quality standards for PM_{2.5} are:
 - a. 15 micrograms per cubic meter of PM_{2.5} – annual arithmetic mean concentration.
 - b. 35 micrograms per cubic meter of PM_{2.5} – 24-hour average concentration.
 3. To determine attainment of the primary and secondary standards, a person shall measure PM_{2.5} in the ambient air by:
 - a. A reference method based on 40 CFR 50, Appendix L, and designated according to 40 CFR 53; or
 - b. An equivalent method designated according to 40 CFR 53.
 4. ~~The primary and secondary annual ambient air quality standards standard for PM_{2.5} are~~ met when the annual arithmetic mean concentration, determined according to 40 CFR 50, Appendix N, is less than or equal to 15 micrograms per cubic meter.
 - ~~5. The secondary annual ambient air quality standard for PM_{2.5} is met when the annual arithmetic mean concentration, determined according to 40 CFR 50, Appendix N, is less than or equal to 15 micrograms per cubic meter.~~
 - ~~56. The primary and secondary 24-hour ambient air quality standards for PM_{2.5} are met when the 98th percentile 24-hour concentration, determined according to 40 CFR 50, Appendix N, is less than or equal to 35 micrograms per cubic meter.~~

R18-2-203. ~~Ozone: One-hour Standard and Eight-hour Average Standard~~

- A.** ~~One-hour standard. Until June 15, 2005:-~~
- ~~1. The one-hour ambient air quality standard for ozone is 0.12 ppm (235 micrograms per cubic meter)-~~
 - ~~2. The one-hour secondary ambient air quality standard for ozone is 0.12 ppm (235 micrograms per cubic meter)-~~
 - ~~3. The one-hour standards are attained when the expected number of days per calendar year with maximum hourly average concentrations above 0.12 ppm (235 micrograms per cubic meter) is less than or equal to 1, determined by 40 CFR 50, Appendix H.~~
- B.** ~~Eight-hour averaged standard.~~
- ~~1A.~~ The eight-hour average primary ambient air quality standard for ozone is 0.075 0.070 ppm.
 - ~~2B.~~ The eight-hour average secondary ambient air quality standard for ozone is 0.075 0.070 ppm.
 - ~~3C.~~ To determine attainment of the primary and secondary standards, a person shall measure ozone in the ambient air by:
 - ~~a1.~~ A reference method based on 40 CFR 50, Appendix D, and designated according to 40 CFR 53; or
 - ~~b2.~~ An equivalent method designated according to 40 CFR 53.



- 4D.** ~~Eight-hour~~ The eight-hour average primary and secondary ambient air quality standards standard for ozone are is met at an ambient air quality monitoring site when the three-year average of the annual fourth highest daily maximum eight-hour average ozone concentration is less than or equal to 0.075 0.070 ppm, determined according to 40 CFR 50, Appendix P U.

R18-2-217. Designation and Classification of Attainment Areas

- A.** All ~~attainment and unclassified areas or parts thereof~~ shall be classified as either Class I, Class II or Class III.
- B.** All of the following areas which were in existence on August 7, 1977, ~~including any boundary changes to those areas which occurred subsequent to the date of enactment of the Clean Air Act Amendments of 1977 and before March 12, 1993,~~ shall be Class I areas irrespective of attainment status and shall not be redesignated:
1. International parks;
 2. National wilderness areas which exceed 5,000 acres in size;
 3. National memorial parks which exceed 5,000 acres in size; and
 4. National parks which exceed 6,000 acres in size.
- C.** Areas which were redesignated as Class I under regulations promulgated before August 7, 1977, shall remain Class I, but may be redesignated as provided in this section.
- D.** Any other area, unless otherwise specified in the legislation creating such an area, is initially designated Class II, but may be redesignated as provided in this Section.
- E.** ~~The following areas shall be designated only as Class I or II:~~
1. An area which as of August 7, 1977, exceeds 10,000 acres in size and is one of the following:
 - a. A national monument,
 - b. A national primitive area,
 - c. A national preserve,
 - d. A national recreational area,
 - e. A national wild and scenic river,
 - f. A national wildlife refuge,
 - g. A national lakeshore or seashore.
 2. A national park or national wilderness area established after August 7, 1977, which exceeds 10,000 acres in size.
- D.** ~~All other areas shall be Class II areas unless redesignated under subsections (E) or (F).~~
- E.** ~~Except as otherwise provided in subsections (B) to (E), the~~ The Governor or the Governor's designee may redesignate areas of the state as Class I or Class II, provided that the following requirements are fulfilled:
1. At least one public hearing is held in or near the area affected in accordance with 40 CFR 51.102;
 2. Other states, Indian governing bodies and Federal Land Managers, whose land may be affected by the proposed redesignation are notified at least 30 days prior to the public hearing.
 3. A discussion document of the reasons for the proposed redesignation including a description and analysis of health, environmental, economic, social and energy effects of the proposed redesignation is prepared by the Governor or the Governor's designee. The discussion document shall be made available for public inspection at least 30 days prior to the hearing and the notice announcing the hearing shall contain appropriate notification of the availability of such discussion document.
 4. Prior to the issuance of notice respecting the redesignation of an area which includes any federal lands, the Governor or the Governor's designee has provided written notice to the appropriate Federal Land Manager and afforded the Federal Land Manager adequate opportunity, not in excess of 60 days, to confer with the state respecting the redesignation and to submit written comments and recommendations. The Governor or the Governor's designee shall publish a list of any inconsistency between such redesignation and such recommendations, together with the reasons for making such redesignation against the recommendation of the Federal Land Manager, if any Federal Land Manager has submitted written comments and recommendations.
 5. The redesignation is proposed after consultation with the elected leadership of local governments in the area covered by the proposed redesignation.
 6. The redesignation is submitted to the Administrator as a revision to the SIP.
- F.** ~~Except as otherwise provided in subsections (B) to (E), the~~ The Governor or the Governor's designee may redesignate areas of the state as Class III if all of the following criteria are met:
1. Such redesignation meets the requirements of subsection ~~(E)~~ (F);
 2. Such redesignation has been approved after consultation with the appropriate committee of the legislature if it is in session or with the leadership of the legislature if it is not in session.
 3. The general purpose units of local government representing a majority of the residents of the area to be redesignated concur in the redesignation;
 4. Such redesignation shall not cause, or contribute to, a concentration of any air pollutant which exceeds any national ambient air quality standard or any maximum allowable increase or maximum allowable concentration permitted under the classification of any area allowed under R18-2-218;
 5. For any new major source as defined in R18-2-401 or a major modification of such source which may be permitted to be constructed and operated only if the area in question is redesignated as Class III, any permit application ~~or related and materials submitted as part of the application~~ shall be made available for public inspection prior to a any public hearing on the redesignation of the area as Class III.
 6. The redesignation is submitted to the Administrator as a revision to the SIP.
- G.** A redesignation shall not be effective until approved by the Administrator as part of an applicable implementation plan. If the Administrator disapproves the redesignation, the classification of the area shall be that which was in effect before the disapproved redesignation.
- H.** Lands within the exterior boundaries of Indian reservations may be redesignated only by the appropriate Indian governing body.



R18-2-218. Limitation of Pollutants in Classified Attainment Areas

- A. Areas designated as Class I, II, or III shall be limited to the following increases in air pollutant concentrations occurring over the baseline concentration; provided that for any period other than an annual period, the applicable maximum allowable increase may be exceeded once per year at any one location:

CLASS I

Maximum Allowable
Increase (Micrograms
per cubic meter)

Particulate matter: PM_{2.5}

Annual arithmetic mean	1
24-hr maximum	2

Particulate matter: PM₁₀

Annual arithmetic mean	4
24-hour maximum	8

Sulfur dioxide:

Annual arithmetic mean	2
24-hour maximum	5
3-hour maximum	25

Nitrogen dioxide:

Annual arithmetic mean	2.5
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CLASS II

Particulate matter: PM_{2.5}

Annual arithmetic mean	4
24-hr maximum	9

Particulate matter: PM₁₀

Annual arithmetic mean	17
24-hour maximum	30

Sulfur dioxide:

Annual arithmetic mean	20
24-hour maximum	91
3-hour maximum	512

Nitrogen dioxide:

Annual arithmetic mean	25
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CLASS III

Particulate matter: PM_{2.5}

Annual arithmetic mean	8
24-hr maximum	18

Particulate matter: PM₁₀

Annual arithmetic mean	34
24-hour maximum	60

Sulfur dioxide:

Annual arithmetic mean	40
24-hour maximum	182
3-hour maximum	700

Nitrogen dioxide:

Annual arithmetic mean	50
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- B. The baseline concentration ~~shall be~~ is that ambient concentration level which exists in the baseline area at the time of the applicable minor source baseline data.

1. The major source baseline date is:

- a. January 6, 1975, for sulfur dioxide and PM₁₀.
- b. February 8, 1988, for nitrogen dioxide.



- c. October 20, 2010, for PM_{2.5}.
2. The minor source baseline date shall be the earliest date after the trigger date on which a major source as defined in R18-2-401 or major modification subject to 40 CFR 52.21 or R18-2-406 submits a complete application under the relevant regulations.
 - a. The trigger date is:
 - ai. August 7, 1977, for PM₁₀ and sulfur dioxide.
 - bii. February 8, 1988, for nitrogen dioxide.
 - ei. October 20, 2011, for PM_{2.5}.
 - b. Any minor source baseline date established originally for total suspended particulates shall remain in effect and shall apply for purposes of determining the amount of available PM-10 increments, except that the Department may rescind any such minor source baseline date where it can be shown, to the satisfaction of the Department, that the emissions increase from the major source, or the net emissions increase from the major modification, responsible for triggering that date did not result in a significant amount of PM-10 emissions.
3. A baseline concentration shall be determined for each pollutant for which there is a minor source baseline date and shall include both:
 - a. The actual emissions representative of sources in existence on the minor source baseline date, except as provided in subsection (B)(4); and
 - b. The allowable emissions of major sources as defined in R18-2-401 which commenced construction before the major source baseline date but were not in operation by the applicable minor source baseline date.
4. The following shall not be included in the baseline concentration and shall affect the applicable maximum allowable increase:
 - a. Actual emissions from any major source as defined in R18-2-401 on which construction commenced after the major source baseline date; and
 - b. Actual emissions increases and decreases at any stationary source occurring after the minor source baseline date.
- C. The baseline date shall be established for each pollutant for which maximum allowable increases or other equivalent measures have been established if both:
 1. The area in which the proposed source or modification would construct is designated as attainment or unclassifiable under section 107(d)(1)(A)(ii) or (iii) of the Act for the pollutant on the date of its complete application under 40 CFR 52.21 or R18-2-406; and
 2. In the case of a major source as defined in R18-2-401, the pollutant would be emitted in significant amounts, or in the case of a major modification, there would be a significant net emissions increase of the pollutant.
- D. The baseline area shall be the AQCR that contains the area, designated as attainment or unclassifiable under section 107(d)(1)(A)(ii) or (iii) of the Act, in which the major source as defined in R18-2-401 or major modification establishing the minor source baseline date would construct or would have an air quality impact for the pollutant for which the minor source baseline date is established, as follows: greater than or equal to 1 microgram per cubic meter (annual average) for sulfur dioxide, nitrogen dioxide or PM₁₀; or greater than or equal to 0.3 microgram per cubic meter (annual average) for PM_{2.5}.
 1. Area redesignations under ~~R18-2-217~~ section 107(d)(1)(A)(ii) or (iii) of the Act that would redesignate a baseline area may not intersect or be smaller than the area of impact of any new major source as defined in R18-2-401 or a major modification which either:
 - ~~1a.~~ Establishes a minor source baseline date, or
 - ~~2b.~~ Is subject to either 40 CFR 52.21 or R18-2-406 and would be constructed in Arizona.
 2. Any baseline area established originally for total suspended particulates shall remain in effect and shall apply for purposes of determining the amount of available PM-10 increments, except that such baseline area shall not remain in effect if the Department rescinds the corresponding minor source baseline date in accordance with subsection (B)(2)(b).
- E. The maximum allowable concentration of any air pollutant in any area to which subsection (A) applies shall not exceed a concentration for each pollutant equal to the concentration permitted under the national ambient air quality standards ~~contained in this Article~~.
- F. For purposes of determining compliance with the maximum allowable increases in ambient concentrations of an air pollutant, the following concentrations of such pollutant shall not be taken into account:
 1. Concentration of such pollutant attributable to the increase in emissions from major and stationary sources which have converted from the use of petroleum products, or natural gas, or both, by reason of a natural gas curtailment order which is in effect under the provisions of sections 2(a) and (b) of the Energy Supply and Environmental Coordination Act of 1974, 15 U.S.C. 792, over the emissions from such sources before the effective date of such order;
 2. The concentration of such pollutant attributable to the increase in emissions from major and stationary sources which have converted from using gas by reason of a natural gas curtailment plan in effect pursuant to the Federal Power Act, 16 U.S.C. 792 - 825r, over the emissions from such sources before the effective date of the natural gas curtailment plan;
 3. Concentrations of PM₁₀ or PM_{2.5} attributable to the increase in emissions from construction or other temporary emission related activities of a new or modified source;
 4. The increase in concentrations attributable to new sources outside the United States over the concentrations attributable to existing sources which are included in the baseline concentration; and
 5. Concentrations attributable to the temporary increase in emissions of sulfur dioxide, nitrogen oxides, PM_{2.5} or PM₁₀ from major sources as defined in R18-2-401 when the following conditions are met:
 - a. ~~The operating permit permits issued to such sources specifies specify~~ the time period during which the temporary emissions increase of sulfur dioxide, nitrogen oxides, PM_{2.5} or PM₁₀ would occur. Such time period shall not be renewable and shall not exceed two years ~~unless a longer period is specifically approved by the Director~~.
 - b. ~~No emissions increase shall be approved which would either~~ The temporary emissions increase will not:
 - i. ~~Impact any portion of any Class I area or any portion of any other area where an applicable incremental ambient standard a maximum increase allowed by subsection (A) is known to be violated in that portion; or~~
 - ii. ~~Cause or contribute to the violation of a state national ambient air quality standard.~~



- c. The operating permit issued to such sources specifies that, at the end of the time period described in subsection (F)(5)(a), the emissions levels from the sources would not exceed the levels occurring before the temporary emissions increase was approved.
- 6. The exception granted by subsections (F)(1) and (2) with respect to ~~increment consumption under subsections (F)(1) and (2)~~ maximum increases allowed under subsection (A) shall not apply more than five years after the effective date of the order or natural gas curtailment plan on which the exception is based.
- G. If the Director or the Administrator determines that the SIP is substantially inadequate to prevent significant deterioration or that an applicable maximum allowable increase as specified in subsection (A) is being violated, the SIP shall be revised to correct the inadequacy or the violation. The SIP shall be revised within 60 days of such a finding by the Director or within 60 days following notification by the Administrator, or by such later date as prescribed by the Administrator after consultation with the Director.
- H. The Director shall review the adequacy of the SIP on a periodic basis and within 60 days of such time as information becomes available that an applicable maximum allowable increase is being violated.

ARTICLE 3. PERMITS AND PERMIT REVISIONS

R18-2-301. Definitions

The following definitions apply to this Article:

1. "Alternative method" means any method of sampling and analyzing for an air pollutant which is not a reference or equivalent method but which has been demonstrated to produce results adequate for the Director's determination of compliance in accordance with R18-2-311(D).
2. "Billable permit action" means the issuance or denial of a new permit, significant permit revision, or minor permit revision, or the renewal of an existing permit.
3. "Capacity factor" means the ratio of the average load on a machine or equipment for the period of time considered to the capacity rating of the machine or equipment.
4. "CEM" means a continuous emission monitoring system as defined in R18-2-101.
5. "Complete" means, in reference to an application for a permit, permit revision or registration, that the application contains all the information necessary for processing the application. Designating an application complete for purposes of a permit, permit revisions or registration processing does not preclude the Director from requesting or accepting any additional information.
6. "Dispersion technique" means any technique which attempts to affect the concentration of a pollutant in the ambient air by any of the following:
 - a. Using that portion of a stack which exceeds good engineering practice stack height;
 - b. Varying the rate of emission of a pollutant according to atmospheric conditions or ambient concentrations of that pollutant; or
 - c. Increasing final exhaust gas plume rise by manipulating source process parameters, exhaust gas parameters, stack parameters, or combining exhaust gases from several existing stacks into one stack; or other selective handling of exhaust gas streams so as to increase the exhaust gas plume rise. This shall not include any of the following:
 - i. The reheating of a gas stream, following use of a pollution control system, for the purpose of returning the gas to the temperature at which it was originally discharged from the facility generating the gas stream.
 - ii. The merging of exhaust gas streams under any of the following conditions:
 - (1) The source owner or operator demonstrates that the facility was originally designed and constructed with such merged gas streams;
 - (2) After July 8, 1985, such merging is part of a change in operation at the facility that includes the installation of pollution controls and is accompanied by a net reduction in the allowable emissions of a pollutant, applying only to the emission limitation for that pollutant; or
 - (3) Before July 8, 1985, such merging was part of a change in operation at the facility that included the installation of emissions control equipment or was carried out for sound economic or engineering reasons. Where there was an increase in the emission limitation or, in the event that no emission limitation was in existence prior to the merging, an increase in the quantity of pollutants actually emitted prior to the merging, the reviewing agency shall presume that merging was significantly motivated by an intent to gain emissions credit for greater dispersion. Absent a demonstration by the source owner or operator that merging was not significantly motivated by such intent, the reviewing agency shall deny credit for the effects of such merging in calculating the allowable emissions for the source.
 - iii. Smoke management in agricultural or silvicultural prescribed burning programs.
 - iv. Episodic restrictions on residential woodburning and open burning.
 - v. Techniques which increase final exhaust gas plume rise where the resulting allowable emissions of sulfur dioxide from the facility do not exceed 5,000 tons per year.
7. "Emissions allowable under the permit" means a permit term or condition determined at issuance to be required by an applicable requirement that establishes an emissions limit (including a work practice standard) or an emissions cap that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject.
8. "Fossil fuel-fired steam generator" means a furnace or boiler used in the process of burning fossil fuel for the primary purpose of producing steam by heat transfer.
9. "Fuel oil" means Number 2 through Number 6 fuel oils as specified in ASTM D-396-90a (Specification for Fuel Oils), gas turbine fuel oils Numbers 2-GT through 4-GT as specified in ASTM D-2880-90a (Specification for Gas Turbine Fuel Oils), or diesel fuel oils Numbers 2-D and 4-D as specified in ASTM D-975-90a (Specification for Diesel Fuel Oils).
10. "Itemized bill" means a breakdown of the permit processing time into the categories of pre-application activities, completeness review, substantive review, and public involvement activities, and within each category, a further breakdown by employee name.
11. "Major source threshold" means the lowest applicable emissions rate for a pollutant that would cause the source to be a major source at the particular time and location, under the definition of major source in R18-2-101.



12. “Maximum capacity to emit” means the maximum amount a source is capable of emitting under its physical and operational design without taking any limitations on operations or air pollution controls into account.
13. “Maximum capacity to emit with any elective limits” means the maximum amount a source is capable of emitting under its physical and operational design taking into account the effect on emissions of any elective limits included in the source’s registration under R18-2-302.01(F).
- ~~12~~14. “Minor NSR Modification” means any of the following changes that do not qualify as a major source or major modification:
- a. Any physical change in or change in the method of operation of an emission unit or a stationary source that either:
 - i. Increases the potential to emit of a regulated minor NSR pollutant by an amount greater than or equal to the permitting exemption thresholds, or
 - ii. Results in emissions of a regulated minor NSR pollutant not previously emitted by such emission unit or stationary source in an amount greater than or equal to the permitting exemption thresholds.
 - b. Construction of one or more new emissions units that have the potential to emit regulated minor NSR pollutants at an amount greater than or equal to the permitting exemption threshold.
 - c. A change covered by subsection (12)(a) or (b) of this Section constitutes a minor NSR modification regardless of whether there will be a net decrease in total source emissions or a net increase in total source emissions that is less than the permitting exemption threshold as a result of decreases in the potential to emit of other emission units at the same stationary source.
 - d. For the purposes of this subsection (the) following do not constitute a physical change or change in the method of operation:
 - i. A change consisting solely of the construction of, or changes to, a combination of emissions units qualifying as a categorically exempt activity.
 - ii. For a stationary source that is required to obtain a Class II permit under R18-2-302 and that is subject to source-wide emissions caps under R18-2-306.01 or R18-2-306.02, a change that will not result in the violation of the existing emissions cap for that regulated minor NSR pollutant.
 - iii. Replacement of an emission unit by a unit with a potential to emit regulated minor NSR pollutants that is less than or equal to the potential to emit of the existing unit, provided the replacement does not cause an increase in emissions at other emission units at the stationary source. A unit installed under this provision is subject to any limits applicable to the unit it replaced.
 - iv. Routine maintenance, repair, and replacement.
 - v. Use of an alternative fuel or raw material by reason of an order under Sections 2(a) and (b) of the Energy Supply and Environmental Coordination Act of 1974, 15 U.S.C. 792, or by reason of a natural gas curtailment plan under the Federal Power Act, 16 U.S.C. 792 to 825r.
 - vi. Use of an alternative fuel by reason of an order or rule under Section 125 of the Act.
 - vii. Use of an alternative fuel at a steam generating unit to the extent that the fuel is generated from municipal solid waste.
 - viii. Use of an alternative fuel or raw material by a stationary source that either:
 - (1) The source was capable of accommodating before December 12, 1976, unless the change would be prohibited under any federally enforceable permit condition established after December 12, 1976, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter; or
 - (2) The source is approved to use under any permit issued under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.
 - ix. An increase in the hours of operation or in the production rate, unless the change would be prohibited under any federally enforceable permit condition established after December 12, 1976, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.
 - x. Any change in ownership at a stationary source
 - xi. The installation, operation, cessation, or removal of a temporary clean coal technology demonstration project, if the project complies with:
 - (1) The SIP, and
 - (2) Other requirements necessary to attain and maintain the national ambient air quality standards during the project and after it is terminated.
 - xii. For electric utility steam generating units located in attainment and unclassifiable areas only, the installation or operation of a permanent clean coal technology demonstration project that constitutes repowering, if the project does not result in an increase in the potential to emit any regulated pollutant emitted by the unit. This exemption applies on a pollutant-by-pollutant basis.
 - xiii. For electric utility steam generating units located in attainment and unclassifiable areas only, the reactivation of a very clean coal-fired electric utility steam generating unit.
 - e. For purposes of this subsection:
 - i. “Potential to emit” means the lower of a source’s or emission unit’s potential to emit or its allowable emissions.
 - ii. In determining potential to emit, the fugitive emissions of a stationary source shall not be considered unless the source belongs to a section 302(j) category.
 - iii. All of the roadways located at a stationary source constitute a single emissions unit.
- ~~13~~15. “NAICS” means the five- or six-digit North American Industry Classification System-United States, 1997, number for industries used by the U.S. Department of Commerce.
- ~~14~~16. “Permit processing time” means all time spent by Air Quality Division staff or consultants on tasks specifically related to the processing of an application for the issuance or renewal of a particular permit or permit revision, including time spent processing an application that is denied.



- ~~15~~17. “Quantifiable” means, with respect to emissions, including the emissions involved in equivalent emission limits and emission trades, capable of being measured or otherwise determined in terms of quantity and assessed in terms of character. Quantification may be based on emission factors, stack tests, monitored values, operating rates and averaging times, materials used in a process or production, modeling, or other reasonable measurement practices.
- ~~16~~18. “Registration” means a registration under R18-2-302.01.
- ~~17~~19. “Replicable” means, with respect to methods or procedures, sufficiently unambiguous that the same or equivalent results would be obtained by the application of the method or procedure by different users.
- ~~18~~20. “Responsible official” means one of the following:
- For a corporation: a president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a permit and either:
 - The facilities employ more than 250 persons or have gross annual sales or expenditures exceeding \$25 million (in second quarter 1980 dollars); or
 - The delegation of authority to such representatives is approved in advance by the permitting authority;
 - For a partnership or sole proprietorship: a general partner or the proprietor, respectively;
 - For a municipality, state, federal, or other public agency: Either a principal executive officer or ranking elected official. For the purposes of this Article, a principal executive officer of a federal agency includes the chief executive officer having responsibility for the overall operations of a principal geographic unit of the agency (e.g., a Regional Administrator of EPA); or
 - For affected sources:
 - The designated representative in so far as actions, standards, requirements, or prohibitions under Title IV of the Act or the regulations promulgated thereunder are concerned; and
 - The designated representative for any other purposes under 40 CFR 70.
21. “Screening model” means air dispersion modeling performed with screening techniques in accordance with 40 CFR 51 Appendix W.
- ~~19~~22. “Small source” means a source with a potential to emit, without controls, less than the rate defined as permitting exemption thresholds in R18-2-101, but required to obtain a permit solely because it is subject to a standard under 40 CFR 63.
- ~~20~~23. “Startup” means the setting in operation of a source for any purpose.
- ~~21~~24. “Synthetic minor” means a source with a permit that contains voluntarily accepted emissions limitations, controls, or other requirements (for example, a cap on production rates or hours of operation, or limits on the type of fuel) under R18-2-306.01 to reduce the potential to emit to a level below the major source threshold.
- ~~22.~~ “Uncontrolled potential to emit” means the maximum capacity of a stationary source to emit a pollutant, excluding secondary emissions, under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design only if the limitation or the effect it would have on emissions is subject to an elective limit under R18-2-302.01(F).

R18-2-302. Applicability; Registration; Classes of Permits

- Except as otherwise provided in this Article, no person shall begin actual construction of, operate, or make a modification to any stationary source subject to regulation under this Article, without obtaining a registration, permit or permit revision from the Director.
- Class I and II permits and registrations shall be required as follows:
 - A Class I permit shall be required for a person to begin actual construction of or operate any of the following:
 - Any major source,
 - Any solid waste incineration unit required to obtain a permit pursuant to Section 129(e) of the Act,
 - Any affected source, or
 - Any stationary source in a source category designated by the Administrator pursuant to 40 CFR 70.3 and adopted by the Director by rule.
 - Unless a Class I permit is required, a Class II permit shall be required for:
 - A person to begin actual construction of or operate any stationary source that emits, or has the ~~uncontrolled potential to emit, significant quantities of regulated NSR pollutants;~~ maximum capacity to emit with any elective limits, any regulated NSR pollutant in an amount greater than or equal to the significant level.
 - A person to make a physical or operational change to a stationary source that would cause the source to emit, or have the ~~uncontrolled potential to emit significant quantities of regulated NSR pollutants~~ maximum capacity to emit with any elective limits, any regulated NSR pollutant in an amount greater than or equal to the significant level.
 - ~~A person to begin actual construction of a source subject to Article 17 of this Chapter.~~
 - ~~A person to make a modification subject to Article 17 of this Chapter to a source for which a permit has not been issued under this Article.~~
 - ~~A person to begin actual construction of or modify a stationary source that otherwise would be subject to registration but that the Director has determined requires a permit under R18-2-302.01(B)(3)(b) R18-2-302.01(C)(4) or (D).~~
 - ~~Until the effective date of the Administrator’s approval of the registration program in R18-2-302.01 into the state implementation plan, unless a Class I permit is required, a Class II permit shall be required for any of the activities that would require a registration under subsections (B)(4)(b) and (c).~~
 - ~~After the effective date of the Administrator’s approval of R18-2-302.01 into the state implementation plan, unless~~ Unless a Class I or II permit is required, registration shall be required for:



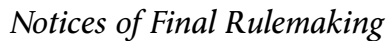
- a. A person to begin actual construction of or operate any stationary source that emits or has the maximum capacity to emit ~~under its physical and operational design, without taking any limitations on operations or air pollution controls into account~~; any regulated minor NSR pollutant in an amount greater than or equal to a permitting exemption threshold.
 - b. A person to begin actual construction of or operate any stationary source subject to a standard under section 111 of the Act, except that a stationary source is not required to register solely because it is subject to any of the following standards:
 - i. 40 CFR 60, Subpart AAA (Residential Wood Heaters).
 - ii. 40 CFR 60, Subpart IIII (Stationary Compression Ignition Internal Combustion Engines).
 - iii. 40 CFR 60, Subpart JJJJ (Stationary Spark Ignition Internal Combustion Engines).
 - iv. 40 CFR 60, Subpart OOOO (Residential Hydronic Heaters and Forced-Air Furnaces).
 - c. A person to begin actual construction of or operate any stationary source, including an area source, subject to a standard under section 112 of the Act, except that a stationary source is not required to register solely because it is subject to any of the following standards:
 - i. 40 CFR 61.145.
 - ii. 40 CFR 63, Subpart ZZZZ (Reciprocating Internal Combustion Engines).
 - iii. 40 CFR 63, Subpart WWWW (Ethylene Oxide Sterilizers).
 - iv. 40 CFR 63, Subpart CCCCC (Gasoline Distribution).
 - v. 40 CFR 63, Subpart HHHHH (Paint Stripping and Miscellaneous Surface Coating Operations).
 - vi. 40 CFR 63, Subpart JJJJJ (Industrial, Commercial, and Institutional Boilers Area Sources), published at 76 FR 15554 (March 21, 2011).
 - vii. A regulation or requirement under section 112(r) of the Act.
 - d. A physical or operational change to a source that would cause the source to emit or have the maximum capacity to emit ~~under its physical and operational design, without taking any limitations on operations or air pollution control into account~~; any regulated minor NSR pollutant ~~in excess of a in an amount greater than or equal to the~~ permitting exemption threshold.
- C. Notwithstanding subsections (A) and (B), the following stationary sources do not require a permit or registration unless the source is a major source, or unless operation without a permit would result in a violation of the Act:
1. A stationary source that consists solely of a single categorically exempt activity plus any combination of trivial activities.
 2. Agricultural equipment used in normal farm operations. "Agricultural equipment used in normal farm operations" does not include equipment classified as a source that requires a permit under Title V of the Act, or that is subject to a standard under 40 CFR 60, 61 or 63.
- D. No person may construct or reconstruct any major source of hazardous air pollutants, unless the Director determines that maximum achievable control technology emission limitation (MACT) for new sources under Section 112 of the Act will be met. If MACT has not been established by the Administrator, such determination shall be made on a case-by-case basis pursuant to 40 CFR 63.40 through 63.44, as incorporated by reference in R18-2-1101(B). For purposes of this subsection, constructing and reconstructing a major source shall have the meaning prescribed in 40 CFR 63.41.
- E. Elective limits or controls adopted under R18-2-302.01(F) shall not be considered in determining whether a source requires registration ~~or a Class I permit~~ but shall be considered in determining any of the following:
1. Whether the registration is subject to the public participation requirements of R18-2-330, as provided in ~~R18-2-302.01(B)(3)(a)~~ R18-2-302.01(B)(3).
 2. Whether review for possible interference with attainment or maintenance of ambient standards is required under R18-2-302.01(C).
 3. Whether the source requires a Class II permit, as provided in subsection (B)(2)(a) or (b).
- F. The fugitive emissions of a stationary source shall not be considered in determining whether the source requires a Class II permit under subsection (B)(2)(a) or (b) or a registration under subsection ~~(B)(4)(a) or (c)~~ (B)(3)(a) or (d), unless the source belongs to a section 302(j) category. If a permit is required for a stationary source, the fugitive emissions of the source shall be subject to all of the requirements of this Article.
- G. Notwithstanding subsections (A) and (B) of this Section, a person may begin actual construction, but not operation, of a source requiring a Class I permit or Class I permit revision upon the Director's issuance of the proposed final permit or proposed final permit revision.

R18-2-302.01. Source Registration Requirements

- A. Application. An application for registration shall be submitted on the form specified by the Director and shall include the following information:
1. The name of the applicant.
 2. The physical location of the source, including the street address, city, county, zip code and latitude and longitude coordinates.
 3. The source's ~~uncontrolled potential to emit~~ maximum capacity to emit with any elective limits each regulated minor NSR pollutant ~~calculated in accordance with R18-2-327(C).~~
 4. Identification of any elective limits or controls adopted under subsection (F).
 5. In the case of a modification, each increase in the source's ~~potential to emit~~ maximum capacity to emit with any elective limits that exceeds the applicable threshold in subsection (G)(1)(a).
 6. Identification of the method used to determine the ~~potential to emit or change in potential to emit specified under R18-2-302(B)(4)(a) or (d) or maximum capacity to emit under R18-2-302(B)(3)(a), a change in the maximum capacity to emit under R18-2-302(B)(3)(d), or the maximum capacity to emit with any elective limits under subsection (G)(1)(a) of this Section.~~
 7. Process information for the source, including a list of emission units, design capacity, operations schedule, and identification of emissions control devices.
- B. Registration Processing Procedures.
1. The Department shall complete a review of a registration application for administrative completeness within 30 calendar days, calculated in accordance with A.A.C. R18-1-503, after its receipt.



2. The Department shall complete a substantive review and take final action on a registration application within 60 calendar days if no hearing is requested, and 90 calendar days if a hearing is requested, calculated in accordance with A.A.C. R18-1-504, after the application is administratively complete.
3. ~~Public Participation.~~
 - a. Except as provided in subsection ~~(B)(3)(b)~~ (B)(5), a registration for construction of a source shall be subject to the public notice and participation requirements of R18-2-330. The materials relevant to the registration decision made available to the public under ~~R18-2-330(D)(1)~~ R18-2-330(D) shall include any determination made or modeling conducted by the Director under subsection (C).
4. The Department shall also send a copy of the notice required by subsection (B)(3) to the administrator through the appropriate regional office, and to all other state and local air pollution control agencies having jurisdiction in the region in which the source subject to the registration will be located. The notice shall also be sent to any other agency in the region having responsibility for implementing the procedures required under 40 CFR 51.1.
- b5. A registration for construction of a source shall not be subject to the public notice and participation requirements of R18-2-330 subsection (B)(3) or (4), if the source's ~~uncontrolled potential to emit maximum capacity to emit with any elective limits~~ each regulated minor NSR pollutant is less than the applicable permitting exemption threshold.
- C. Review for NAAQS National Ambient Air Quality Standards Compliance; Requirement to Obtain a Permit.
 1. The Director shall review each application for registration of a source with the ~~uncontrolled potential to emit maximum capacity to emit with any elective limits~~ any regulated minor NSR pollutant in an amount equal to or greater than the permitting exemption threshold. The purpose of the review shall be to determine whether the new or modified source may interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard in Arizona or any affected state or Indian reservation. In making the determination required by this subsection, the Director shall take into account the following factors:
 - a. The source's emission rates, including fugitive emission rates, taking into account any elective limits or controls adopted under subsection (F).
 - b. The location of emission units within the facility and their proximity to the ambient air.
 - c. The terrain in which the source is or will be located.
 - d. The source type.
 - e. The location and emissions of nearby sources.
 - f. Background concentrations of regulated minor NSR pollutants.
 2. The Director may undertake the review specified in subsection (C)(1) for a source with the ~~uncontrolled potential to emit maximum capacity to emit with any elective limits~~ regulated minor NSR pollutants in an amount less than the permitting exemption threshold.
 3. If the Director determines under subsection (C)(1) or (C)(2) that a source's emissions may interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard, the Director shall perform a ~~SCREEN screening~~ model run for each regulated minor NSR pollutant for which that determination has been made.
 4. If the Director determines, based on performance of the ~~SCREEN screening~~ model pursuant to subsection (C)(3), that a source's emissions, taking into account any elective limits or controls adopted under subsection (F), will interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard, the Director shall deny the application for registration. Notwithstanding ~~R18-2-302(B)(4)~~ R18-2-302(B)(3), the owner or operator of the source shall be required to obtain a permit under R18-2-302 and shall comply with R18-2-334 before beginning actual construction of the source or modification.
- D. Requirement to Obtain a Permit. Notwithstanding ~~R18-2-302(B)(4)(b)~~ R18-2-302(B)(3)(b) and (c), the Director shall deny an application for registration for a source subject to a standard under section 111 or 112 of the Act and require the owner or operator to obtain a permit under R18-2-302, if the Director determines based on the following factors that the requirement to obtain a permit is warranted:
 1. The size and complexity of the source.
 2. The complexity of the section 111 or 112 standard applicable to the source.
 3. The public health or environmental risks posed by the pollutants subject to regulation under the section 111 or 112 standard.
- E. Registration Contents. A registration shall contain the following elements:
 1. ~~Identification of each emission unit subject to an applicable requirement and all applicable requirements that apply to the unit, including Enforceable emission limitations and standards, including operational requirements and limitations, that ensure compliance with all applicable SIP requirements at the time of issuance and any testing, monitoring, recordkeeping and reporting obligations imposed by the applicable requirement or by R18-2-312.~~
 2. Any elective limits or controls and associated operating, maintenance, monitoring and recordkeeping requirements adopted pursuant to subsection (F).
 3. A requirement to retain any records required by the registration at the source for at least three years in a form that is suitable for expeditious inspection and review.
 4. For any source that has adopted elective limits or controls under subsection (F), a requirement to submit an annual compliance report on the form provided by the Director in the registration.
- F. Elective Limits or Controls. The owner or operator of a source requiring registration may elect to include any of the following emission limitations in the registration, provided the Department approves the limitation and the registration also includes the operating, maintenance, monitoring, and recordkeeping requirements specified below for the limitation.
 1. A limitation on the hours of operation of any process or combination of processes.
 - a. The registration shall express the limitation in terms of hours per rolling 12-month period and shall specify the process or combination of processes subject to the limitation.



A. An installation or operating permit issued before September 1, 1993, and the authority to operate, as provided in Laws 1992, Ch. 299, § 65, continues in effect until the installation or operating permit is terminated, or until the Director issues or denies a Class I or Class II permit to the source, whichever is earlier.

B. The terms and conditions of installation permits issued before September 1, 1993, or in permits or permit revisions issued under R18-2-302 and authorizing the construction or modification of a stationary source, remain federal applicable requirements unless modified or revoked by the Director.



- C. All sources in existence on September 1, 2012, requiring a registration shall provide notice to the Director by no later than December 1, 2012, on a form provided by the Director.
- D. All sources requiring a registration that are in existence on the date R18-2-302.01 becomes effective under R18-2-302.01(I) may submit applications for registration at any time after R18-2-302.01 is effective and shall submit an application no later than 180 days after receipt of written notice from the Director that an application is required. ~~Applications to register the construction or modification of a source must be submitted, and the registration must be issued, before the applicant begins actual construction of the source or modification.~~
- E. Sources in existence on ~~the date R18-2-334 becomes effective under R18-2-334(I)~~ December 2, 2015 are not subject to R18-2-334, unless the source undertakes a minor NSR modification ~~after that date~~. Notwithstanding any other provision of this Chapter, R18-2-334 shall apply only to applications for permits or permit revisions filed after ~~the date R18-2-334 takes effect under R18-2-334(I)~~ December 2, 2015.

R18-2-304. Permit Application Processing Procedures

- A. Unless otherwise noted, this Section applies to each source requiring a Class I or II permit or permit revision.
- B. Standard Application Form and Required Information. To apply for ~~any a~~ permit ~~is required by~~ this Chapter, applicants shall complete the ~~applicable "Standard Permit Application Form"~~ standard application form provided by the Director and supply all information required by the ~~"Filing Instructions" as shown in Appendix 1, form's filing instructions.~~ The application forms and filing instructions for Class I Permits shall at a minimum require submission of the following elements:
 - 1. Identifying information, including company name and address (or plant name and address if different from the company name), owner's name and agent, and telephone number and names of plant site manager/contact.
 - 2. A description of the source's processes and products (by Standard Industrial Classification (SIC) Code), including those associated with any proposed alternative operating scenarios (AOS) identified by the source.
 - 3. The following emission-related information:
 - a. All emissions of pollutants for which the source is major, and all emissions of regulated air pollutants. A permit application shall describe all emissions of regulated air pollutants emitted from any emissions unit, except as otherwise provided in R18-2-304(F)(8). The Director shall require additional information related to the emissions of air pollutants sufficient to verify which requirements are applicable to the source, and other information necessary to collect any permit fees owed under R18-2-326.
 - b. Identification and description of all points of emissions described in subsection (B)(3)(a) of this section in sufficient detail to establish the basis for fees and applicability of requirements.
 - c. Emissions rate in tons per year (tpy) and in such terms as are necessary to establish compliance consistent with the applicable standard reference test method. For emissions units subject to an annual emissions cap, tpy can be reported as part of the aggregate emissions associated with the cap, except where more specific information is needed, including where necessary to determine and/or assure compliance with an applicable requirement.
 - d. The following information to the extent it is needed to determine or regulate emissions: fuels, fuel use, raw materials, production rates, and operating schedules.
 - e. Identification and description of air pollution control equipment and compliance monitoring devices or activities.
 - f. Limitations on source operation affecting emissions or any work practice standards, where applicable, for all regulated pollutants at the Class I source.
 - g. Other information required by any applicable requirement (including information related to stack height limitations in R18-2-332).
 - h. Calculations on which the information in subsections (B)(3)(a) through (g) of this section is based.
 - 4. The following air pollution control requirements:
 - a. Citation and description of all applicable requirements, and
 - b. Description of or reference to any applicable test method for determining compliance with each applicable requirement.
 - 5. Other specific information that may be necessary to implement and enforce other applicable requirements or to determine the applicability of such requirements.
 - 6. An explanation of any proposed exemptions from otherwise applicable requirements.
 - 7. Additional information as determined to be necessary by the Director to define proposed AOS identified by the source pursuant to R18-2-306(A)(11) or to define permit terms and conditions implementing any AOS under R18-2-306(A)(11) or implementing R18-2-317, R18-2-306(A)(12), R18-2-306(A)(14), or R18-2-306.02. The permit application shall include documentation demonstrating that the source has obtained all authorizations required under the applicable requirements relevant to any proposed AOS, or a certification that the source has submitted all relevant materials to the Director for obtaining such authorizations.
 - 8. A compliance plan for all Class I sources that contains all of the following:
 - a. A description of the compliance status of the source with respect to all applicable requirements.
 - b. A description as follows:
 - i. For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements.
 - ii. For applicable requirements that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis.
 - iii. For requirements for which the source is not in compliance at the time of permit issuance, a narrative description of how the source will achieve compliance with such requirements.
 - iv. For applicable requirements associated with a proposed AOS, a statement that the source will meet such requirements upon implementation of the AOS. If a proposed AOS would implicate an applicable requirement that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis.
 - c. A compliance schedule as follows:



- i. For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements.
- ii. For applicable requirements that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis. A statement that the source will meet, in a timely manner, applicable requirements that become effective during the permit term shall satisfy this provision, unless a more detailed schedule is expressly required by the applicable requirement.
- iii. A schedule of compliance for sources that are not in compliance with all applicable requirements at the time of permit issuance. Such a schedule shall include a schedule of remedial measures, including an enforceable sequence of actions with milestones, leading to compliance with any applicable requirements for which the source will be in noncompliance at the time of permit issuance. This compliance schedule shall resemble and be at least as stringent as that contained in any judicial consent decree or administrative order to which the source is subject. Any such schedule of compliance shall be supplemental to, and shall not sanction noncompliance with, the applicable requirements on which it is based.
- iv. For applicable requirements associated with a proposed AOS, a statement that the source will meet such requirements upon implementation of the AOS. If a proposed AOS would implicate an applicable requirement that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis. A statement that the source will meet, in a timely manner, applicable requirements that become effective during the permit term will satisfy this provision, unless a more detailed schedule is expressly required by the applicable requirement.
- d. A schedule for submission of certified progress reports no less frequently than every 6 months for sources required to have a schedule of compliance to remedy a violation.
- e. The compliance plan content requirements specified in subsection (B)(8) shall apply and be included in the acid rain portion of a compliance plan for an affected source, except as specifically superseded by regulations promulgated under title IV of the Act with regard to the schedule and methods the source will use to achieve compliance with the acid rain emissions limitations.
9. Requirements for compliance certification, including the following:
 - a. A certification of compliance with all applicable requirements by a responsible official, which shall include:
 - i. Identification of the applicable requirement that is the basis of the certification;
 - ii. The method used for determining the compliance status of the source, including a description of monitoring, record-keeping, and reporting requirements and test methods;
 - iii. The compliance status; and
 - iv. Such other facts as the Director may require;
 - b. A schedule for submission of compliance certifications during the permit term, to be submitted no less frequently than annually, or more frequently if specified by the underlying applicable requirement or by the permitting authority;
 - c. A statement indicating the source's compliance status with any applicable enhanced monitoring and compliance certification requirements of the Act; and
 - d. A certification of truth, accuracy, and completeness pursuant to R18-2-304(I).
10. The use of nationally-standardized forms for acid rain portions of permit applications and compliance plans, as required by regulations promulgated under title IV of the act.
- C. The Director, either upon the Director's own initiative or on the request of a permit applicant, may waive a requirement that specific information or data be submitted in the application for a Class II permit for a particular source or category of sources if the Director determines that the information or data would be unnecessary to determine all of the following:
 1. The applicable requirements to which the source may be subject;
 2. That the source is so designed, controlled, or equipped with such air pollution control equipment that it may be expected to operate without emitting or without causing to be emitted air contaminants in violation of the provisions of A.R.S. Title 49, Chapter 3, Article 2 and this Chapter;
 3. The fees to which the source may be subject; and
 4. A proposed emission limitation, control, or other requirement that meets the requirements of R18-2-306.01 or R18-2-306.02.
- ED. A timely application is:
 1. For a source, that becomes subject to the permit program as a result of a change in regulation and not as a result of construction or a physical or operational change, one that is submitted within 12 months after the source becomes subject to the permit program.
 2. For purposes of permit renewal, a timely application is one that is submitted at least six months, but not more than 18 months, prior to the date of permit expiration.
 3. Any source under R18-2-326(A)(3) which becomes subject to a standard promulgated by the Administrator pursuant to section 112(d) of the Act shall, within 12 months of the date on which the standard is promulgated, submit an application for a permit revision demonstrating how the source will comply with the standard.
- DE. If an applicable implementation plan allows the determination of an alternative emission limit, a source may, in its application, propose an emission limit that is equivalent to the emission limit otherwise applicable to the source under the applicable implementation plan. The source shall also demonstrate that the equivalent limit is quantifiable, accountable, enforceable, and subject to replicable compliance determination procedures.
- EE. A complete application shall comply with all of the following:
 1. To be complete, an application shall provide all information required by subsection (B) (standard application form section). An application for permit revision only need supply information related to the proposed change, unless the source's proposed permit revision will change the permit from a Class II permit to a Class I permit. A responsible official shall certify the submitted information consistent with subsection (H) (Certification of Truth, Accuracy, and Completeness).



2. An application for a new permit or permit revision shall contain an assessment of the applicability of the requirements of Article 4 of this Chapter. If the applicant determines that the proposed new source is a major source as defined in R18-2-401, or the proposed permit revision constitutes a major modification as defined in R18-2-101, then the application shall comply with all applicable requirements of Article 4.
3. An application for a new permit or permit revision shall contain an assessment of the applicability of Minor New Source Review requirements in R18-2-334. If the applicant determines that the proposed new source is subject to R18-2-334, or the proposed permit revision constitutes a Minor NSR Modification, then the application shall comply with all applicable requirements of R18-2-334.
4. ~~An application for a new permit or a permit revision shall contain an assessment of the applicability of the requirements established under Article 17 of this Chapter. If the applicant determines that the proposed new source permit or permit revision is subject to the requirements of Article 17 of this Chapter, the application shall comply with all applicable requirements of that Article.~~
54. Except for proposed new major sources or major modifications subject to the requirements of Article 4 of this Chapter, an application for a new permit, a permit revision, or a permit renewal shall be deemed to be complete unless, within 60 days of receipt of the application, the Director notifies the applicant by certified mail that the application is not complete.
65. If a source wishes to voluntarily enter into an emissions limitation, control, or other requirement pursuant to R18-2-306.01, the source shall describe that emissions limitation, control, or other requirement in its application, along with proposed associated monitoring, recordkeeping, and reporting requirements necessary to demonstrate that the emissions limitation, control, or other requirement is permanent, quantifiable, and otherwise enforceable as a practical matter.
76. If, while processing an application that has been determined or deemed to be complete, the Director determines that additional information is necessary to evaluate or take final action on that application, the Director may request such information in writing and set a reasonable deadline for a response. Except for minor permit revisions as set forth in R18-2-319, a source's ability to continue operating without a permit, as set forth in subsection (J), shall be in effect from the date the application is determined to be complete until the final permit is issued, provided that the applicant submits any requested additional information by the deadline specified by the Director.
7. The completeness determination shall not apply to revisions processed through the minor permit revision process.
98. Activities which are insignificant pursuant to the definition of insignificant activities in R18-2-101 shall be listed in the application. Except as necessary to complete the assessment required by subsection (E)(2) or (3), the application need not provide emissions data regarding insignificant activities. If the Director determines that an activity listed as insignificant does not meet the requirements of the definition of insignificant activities in R18-2-101 or that emissions data for the activity is required to complete the assessment required by subsection (E)(2) or (3), the Director shall notify the applicant in writing and specify additional information required.
109. If a permit applicant requests terms and conditions allowing for the trading of emission increases and decreases in the permitted facility solely for the purpose of complying with a federally enforceable emission cap that is established in the permit independent of otherwise applicable requirements, the permit applicant shall include in its application proposed replicable procedures and permit terms that ensure the emissions trades are quantifiable and enforceable.
110. The Director is not in disagreement with a notice of confidentiality submitted with the application pursuant to A.R.S. § 49-432.
- FG. A source applying for a Class I permit that has submitted information with an application under a claim of confidentiality pursuant to A.R.S. § 49-432 and R18-2-305 shall submit a copy of such information directly to the Administrator.
- GI. Duty to Supplement or Correct Application. Any applicant who fails to submit any relevant facts or who has submitted incorrect information in a permit application shall, upon becoming aware of such failure or incorrect submittal, promptly submit such supplementary facts or corrected information. In addition, an applicant shall provide additional information as necessary to address any requirements that become applicable to the source after the date it filed a complete application but prior to release of a proposed permit.
- HI. Certification of Truth, Accuracy, and Completeness. Any application form, report, or compliance certification submitted pursuant to this Chapter shall contain certification by a responsible official of truth, accuracy, and completeness. This certification and any other certification required under this Article shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.
- IJ. Action on Application.
 1. The Director shall issue or deny each permit according to the provisions of A.R.S. § 49-427. The Director may issue a permit with a compliance schedule for a source that is not in compliance with all applicable requirements at the time of permit issuance.
 2. In addition, a permit may be issued, revised, or renewed only if all of the following conditions have been met:
 - a. The application received by the Director for a permit, permit revision, or permit renewal shall be complete according to subsection (E).
 - b. Except for revisions qualifying as administrative or minor under R18-2-318 and R18-2-319, all of the requirements for public notice and participation under R18-2-330 shall have been met.
 - c. For Class I permits, the Director shall have complied with the requirements of R18-2-307 for notifying and responding to affected states, and if applicable, other notification requirements of R18-2-402(D)(2) and R18-2-410(C)(2).
 - d. For Class I and II permits, the conditions of the permit shall require compliance with all applicable requirements.
 - e. For permits for which an application is required to be submitted to the Administrator under R18-2-307(A), and to which the Administrator has properly objected to its issuance in writing within 45 days of receipt of the proposed final permit and all necessary supporting information from the Department, the Director has revised and submitted a proposed final permit in response to the objection and EPA has not objected to this proposed final permit within 45 days of receipt.
 - f. For permits to which the Administrator has objected to issuance pursuant to a petition filed under 40 CFR 70.8(d), the Administrator's objection has been resolved.



- g. For a Class II permit that contains voluntary emission limitations, controls, or other requirements established pursuant to R18-2-306.01, the Director shall have complied with the requirement of R18-2-306.01(C) to provide the Administrator with a copy of the proposed permit.
 3. If the Director denies a permit under this Section, a notice shall be served on the applicant by certified mail, return receipt requested. The notice shall include a statement detailing the grounds for the denial and a statement that the permit applicant is entitled to a hearing.
 4. The Director shall provide a statement that sets forth the legal and factual basis for the proposed permit conditions including references to the applicable statutory or regulatory provisions. The Director shall send this statement to any person who requests it and, for Class I permits, to the Administrator.
 5. Priority shall be given by the Director to taking action on applications for construction or modification submitted pursuant to Title I, Parts C (Prevention of Significant Deterioration) and D (New Source Review) of the Act.
- JK.** Requirement for a Permit. Except as noted under the provisions in R18-2-317 and R18-2-319, no source may operate after the time that it is required to submit a timely and complete application, except in compliance with a permit issued pursuant to this Chapter. However, if a source under R18-2-326(A)(3) submits a timely and complete application for continued operation under a permit revision or renewal, the source's failure to have a permit is not a violation of this Article until the Director takes final action on the application. This protection shall cease to apply if, subsequent to the completeness determination, the applicant fails to submit, by the deadline specified in writing by the Director, any additional information identified as being needed to process the application. This subsection does not affect a source's obligation to obtain a permit revision before making a modification to the source.

R18-2-306. Permit Contents

- A. Each permit issued by the Director shall include the following elements:
 1. The date of issuance and the permit term.
 2. Enforceable emission limitations and standards, including operational requirements and limitations that ensure compliance with all applicable requirements at the time of issuance and operational requirements and limitations that have been voluntarily accepted under R18-2-306.01.
 - a. The permit shall specify and reference the origin of and authority for each term or condition and identify any difference in form as compared to the applicable requirement upon which the term or condition is based.
 - b. The permit shall state that, if an applicable requirement of the Act is more stringent than an applicable requirement of regulations promulgated under Title IV of the Act, both provisions shall be incorporated into the permit and shall be enforceable by the Administrator.
 - c. Any permit containing an equivalency demonstration for an alternative emission limit submitted under ~~R18-2-304(D)~~ R18-2-304(E) shall contain provisions to ensure that any resulting emissions limit has been demonstrated to be quantifiable, accountable, enforceable, and based on replicable procedures.
 - d. The permit shall specify applicable requirements for fugitive emission limitations, regardless of whether the source category in question is included in the list of sources contained in the definition of major source in R18-2-101.
 3. Each permit shall contain the following requirements with respect to monitoring:
 - a. All monitoring and analysis procedures or test methods required under applicable monitoring and testing requirements, including:
 - i. Monitoring and analysis procedures or test methods under 40 CFR 64;
 - ii. Other procedures and methods promulgated under sections 114(a)(3) or 504(b) of the Act; and
 - iii. Monitoring and analysis procedures or test methods required under R18-2-306.01.
 - b. 40 CFR 64 as adopted July 1, 1998, is incorporated by reference and on file with the Department and the Office of the Secretary of State. This incorporation by reference contains no future editions or amendments. If more than one monitoring or testing requirement applies, the permit may specify a streamlined set of monitoring or testing provisions if the specified monitoring or testing is adequate to assure compliance at least to the same extent as the monitoring or testing applicable requirements not included in the permit as a result of such streamlining;
 - c. If the applicable requirement does not require periodic testing or instrumental or noninstrumental monitoring (which may consist of recordkeeping designed to serve as monitoring), periodic monitoring sufficient to yield reliable data from the relevant time period that are representative of the source's compliance with the permit as reported under subsection (A)(4). The monitoring requirements shall ensure use of terms, test methods, units, averaging periods, and other statistical conventions consistent with the applicable requirement, and as otherwise required under R18-2-306.01. Recordkeeping provisions may be sufficient to meet the requirements of this subsection; and
 - d. As necessary, requirements concerning the use, maintenance, and, if appropriate, installation of monitoring equipment or methods.
 4. The permit shall incorporate all applicable recordkeeping requirements including recordkeeping requirements established under R18-2-306.01, for the following:
 - a. Records of required monitoring information that include the following:
 - i. The date, place as defined in the permit, and time of sampling or measurement;
 - ii. The date any analyses was performed;
 - iii. The name of the company or entity that performed the analysis;
 - iv. A description of the analytical technique or method used;
 - v. The results of any analysis; and
 - vi. The operating conditions existing at the time of sampling or measurement;
 - b. Retention of records of all required monitoring data and support information for a period of at least five years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation and copies of all reports required by the permit.



5. The permit shall incorporate all applicable reporting requirements including reporting requirements established under R18-2-306.01 and require the following:
 - a. Submittal of reports of any required monitoring ~~at least every six months~~. All instances of deviations from permit requirements shall be clearly identified in the reports. All required reports shall be certified by a responsible official consistent with ~~R18-2-304(H)~~ R18-2-304(I) and R18-2-309(A)(5); and shall be submitted with the following frequency:
 - i. For a Class I permit, at least once every six months;
 - ii. For a Class II permit, at least once per year.
 - b. Prompt reporting of deviations from permit requirements, including those attributable to upset conditions as defined in the permit, the probable cause of the deviations, and any corrective actions or preventive measures taken. ~~Notice that complies with subsection (E)(3)(d) shall be considered prompt for the purposes of this subsection (A)(5)(b). Where the applicable requirement contains a definition of prompt or otherwise specifies a timeframe for reporting deviations, that definition or timeframe shall govern. Where the applicable requirement does not address the timeframe for reporting deviations, the permittee shall submit reports of deviations in compliance with the following schedule:~~
 - i. Notice that complies with timeframe in R18-2-310.01(A) is prompt for deviations that constitute excess emissions;
 - ii. Except as otherwise provided in the permit, notice that complies with subsection (A)(5)(a) is prompt for all other types of deviation.
6. A permit condition prohibiting emissions exceeding any allowances the source lawfully holds under Title IV of the Act or the regulations promulgated thereunder.
 - a. A permit revision is not required for increases in emissions that are authorized by allowances acquired under the acid rain program, if the increases do not require a permit revision under any other applicable requirement.
 - b. A limit shall not be placed on the number of allowances held by the source. The source shall not, however, use allowances as a defense to noncompliance with any other applicable requirement.
 - c. Any allowance shall be accounted for according to the procedures established in regulations promulgated under Title IV of the Act.
 - d. Any permit issued under the requirements of this Chapter and Title V of the Act to a unit subject to the provisions of Title IV of the Act shall include conditions prohibiting all of the following:
 - i. Annual emissions of sulfur dioxide in excess of the number of allowances to emit sulfur dioxide held by the owner or operator of the unit or the designated representative of the owner or operator,
 - ii. Exceedances of applicable emission rates,
 - iii. Use of any allowance before the year for which it is allocated, and
 - iv. Contravention of any other provision of the permit.
7. A severability clause to ensure the continued validity of the various permit requirements in the event of a challenge to any portion of the permit.
8. Provisions stating the following:
 - a. The permittee shall comply with all conditions of the permit including all applicable requirements of Arizona air quality statutes A.R.S. Title 49, Chapter 3, and the air quality rules, 18 A.A.C. 2. Any permit noncompliance is grounds for enforcement action; for a permit termination, revocation and reissuance, or revision; or for denial of a permit renewal application. Noncompliance with any federally enforceable requirement in a permit is a violation of the Act.
 - b. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit.
 - c. The permit may be revised, reopened, revoked and reissued, or terminated for cause. The filing of a request by the permittee for a permit revision, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition.
 - d. The permit does not convey any property rights of any sort, or any exclusive privilege to the permit holder.
 - e. The permittee shall furnish to the Director, within a reasonable time, any information that the Director may request in writing to determine whether cause exists for revising, revoking and reissuing, or terminating the permit, or to determine compliance with the permit. Upon the Director's request, the permittee shall also furnish to the Director copies of records required to be kept by the permit. For information claimed to be confidential, the permittee shall furnish a copy of the records directly to the Administrator along with a claim of confidentiality.
 - f. For any major source operating in a nonattainment area for all pollutants for which the source is classified as a major source, the source shall comply with reasonably available control technology.
9. A provision to ensure that the source pays fees to the Director under A.R.S. § 49-426(E), R18-2-326, and R18-2-511.
10. A provision stating that a permit revision shall not be required under any approved economic incentives, marketable permits, emissions trading, and other similar programs or processes for changes provided for in the permit.
11. Terms and conditions for reasonably anticipated operating scenarios identified by the source in its application as approved by the Director. The terms and conditions shall:
 - a. Require the source, contemporaneously with making a change from one operating scenario to another, to record in a log at the permitted facility a record of the scenario under which it is operating;
 - b. Extend the permit shield described in R18-2-325 to all terms and conditions under each such operating scenario; and
 - c. Ensure that the terms and conditions of each such alternative scenario meet all applicable requirements and the requirements of this Chapter.
12. Terms and conditions, if the permit applicant requests them, and as approved by the Director, for the trading of emissions increases and decreases in the permitted facility, to the extent that the applicable requirements provide for trading the increases and decreases without a case-by-case approval of each emissions trade. The terms and conditions:
 - a. Shall include all terms required under subsections (A) and (C) to determine compliance;



- b. Shall not extend the permit shield in subsection (D) to all terms and conditions that allow the increases and decreases in emissions;
 - c. Shall not include trading that involves emission units for which emissions are not quantifiable or for which there are no replicable procedures to enforce the emissions trades; and
 - d. Shall meet all applicable requirements and requirements of this Chapter.
 - 13. Terms and conditions, if the permit applicant requests them and they are approved by the Director, setting forth intermittent operating scenarios including potential periods of downtime. If the terms and conditions are included, the state's emissions inventory shall not reflect the zero emissions associated with the periods of downtime.
 - 14. Upon request of a permit applicant, the Director shall issue a permit that contains terms and conditions allowing for the trading of emission increases and decreases in the permitted facility solely for the purpose of complying with a federally enforceable emission cap established in the permit independent of otherwise applicable requirements. The permit applicant shall include in its application proposed replicable procedures and permit terms that ensure the emissions trades are quantifiable and enforceable. The Director shall not include in the emissions trading provisions any emissions units for which emissions are not quantifiable or for which there are no replicable procedures to enforce the emissions trades. The permit shall also require compliance with all applicable requirements. Changes made under this subsection (shall) not include modifications under any provision of Title I of the Act and shall not exceed emissions allowable under the permit. The terms and conditions shall provide, for Class I sources, for notice that conforms to R18-2-317(D) and (E), and for Class II sources, for logging that conforms to R18-2-317.02(B)(5). In addition, the notices for Class I and Class II sources shall describe how the increases and decreases in emissions will comply with the terms and conditions of the permit.
 - 15. Other terms and conditions as are required by the Act, A.R.S. Title 49, Chapter 3, Articles 1 and 2, and the rules adopted in 18 A.A.C. 2.
- B. Federally-enforceable Requirements.**
- 1. The following permit conditions shall be enforceable by the Administrator and citizens under the Act:
 - a. Except as provided in subsection (B)(2), all terms and conditions in a Class I permit, including any provision designed to limit a source's potential to emit;
 - b. Terms or conditions in a Class II permit setting forth federal applicable requirements; and
 - c. Terms and conditions in any permit entered into voluntarily under R18-2-306.01, as follows:
 - i. Emissions limitations, controls, or other requirements; and
 - ii. Monitoring, recordkeeping, and reporting requirements associated with the emissions limitations, controls, or other requirements in subsection (B)(1)(c)(i).
 - 2. Notwithstanding subsection (B)(1)(a), the Director shall specifically designate as not being federally enforceable under the Act any terms and conditions included in a Class I permit that are not required under the Act or under any of its applicable requirements.
- C.** Each permit shall contain a compliance plan as specified in R18-2-309.
- D.** Each permit shall include the applicable permit shield provisions under R18-2-325.
- E. Emergency provision.**
- 1. An "emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, that requires immediate corrective action to restore normal operation and that causes the source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.
 - 2. An emergency constitutes an affirmative defense to an action brought for noncompliance with technology-based emission limitations if the conditions of subsection (E)(3) are met.
 - 3. The affirmative defense of emergency shall be demonstrated through properly signed, contemporaneous operating logs, or other relevant evidence that:
 - a. An emergency occurred and the permittee can identify the cause or causes of the emergency;
 - b. At the time of the emergency the permitted facility was being properly operated;
 - c. During the period of the emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and
 - d. The permittee submitted notice of the emergency to the Director by certified mail, facsimile, or hand delivery within two working days of the time when emission limitations were exceeded due to the emergency. This notice shall contain a description of the emergency, any steps taken to mitigate emissions, and corrective action taken.
 - 4. In any enforcement proceeding, the permittee seeking to establish the occurrence of an emergency has the burden of proof.
 - 5. This provision is in addition to any emergency or upset provision contained in any applicable requirement.
- F.** A Class I permit issued to a major source shall require that revisions be made under R18-2-321 to incorporate additional applicable requirements adopted by the Administrator under the Act that become applicable to a source with a permit with a remaining permit term of three or more years. A revision shall not be required if the effective date of the applicable requirement is after the expiration of the permit. The revisions shall be made as expeditiously as practicable, but not later than 18 months after the promulgation of the standards and regulations. Any permit revision required under this subsection (shall) comply with R18-2-322 for permit renewal and shall reset the five-year permit term.

R18-2-306.01. Permits Containing Voluntarily Accepted Emission Limitations and Standards

- A.** A source may voluntarily propose in its application, and accept in its permit, emissions limitations, controls, or other requirements that are permanent, quantifiable, and otherwise enforceable as a practical matter in order to avoid classification as a source that requires a Class I permit or to avoid one or more other applicable requirements. For the purposes of this Section, "enforceable as a practical matter" means that specific means to assess compliance with an emissions limitation, control, or other requirement are provided for in the permit in a manner that allows compliance to be readily determined by an inspection of records and reports.



- B. In order for a source to obtain a permit containing voluntarily accepted emissions limitations, controls, or other requirements, the source shall demonstrate all of the following in its permit application:
 - 1. The emissions limitations, controls, or other requirements to be imposed for the purpose of avoiding an applicable requirement are at least as stringent as the emissions limitations, controls, or other requirements that would otherwise be applicable to that source, including those that originate in an applicable implementation plan; and the permit does not waive, or make less stringent, any limitations or requirements contained in or issued pursuant to an applicable implementation plan, or that are otherwise federally enforceable.
 - 2. All voluntarily accepted emissions limitations, controls, or other requirements will be permanent, quantifiable, and otherwise enforceable as a practical matter.
- C. At the same time as notice of proposed issuance is first published pursuant to A.R.S. § 49-426(D), the Director shall send a copy of any Class II permit proposed to be issued pursuant to this Section to the Administrator for review during the comment period described in the notice pursuant to ~~R18-2-330(D)~~ R18-2-330(C)(3).
- D. The Director shall send a copy of each final permit issued pursuant to this Section to the Administrator.

R18-2-307. Permit Review by the EPA and Affected States

- A. Except as provided in ~~R18-2-304(F)~~ R18-2-304(G) and as waived by the Administrator, for each Class I permit, a copy of each of the following shall be provided to the Administrator as follows:
 - 1. The applicant shall provide a complete copy of the application including any attachments, compliance plans, and other information required by ~~R18-2-304(E)~~ R18-2-304(F) at the time of submittal of the application to the Director.
 - 2. The Director shall provide the proposed final permit after public and affected state review.
 - 3. The Director shall provide the final permit at the time of issuance.
- B. The Director shall keep all records associated with all permits for a minimum of five years from issuance.
- C. No permit for which an application is required to be submitted to the Administrator under subsection (A) shall be issued if the Administrator properly objects to its issuance in writing within 45 days of receipt of the proposed final permit from the Department and all necessary supporting information.
- D. Review by Affected States.
 - 1. For each Class I permit, the Director shall provide notice of each proposed permit to any affected state on or before the time that the Director provides this notice to the public as required under R18-2-330 except to the extent R18-2-319 requires the timing of the notice to be different.
 - 2. If the Director refuses to accept a recommendation of any affected state submitted during the public or affected state review period, the Director shall notify the Administrator and the affected state in writing. The notification shall include the Director's reasons for not accepting any such recommendation and shall be provided to the Administrator as part of the submittal of the proposed final permit. The Director shall not be required to accept recommendations that are not based on federal applicable requirements or requirements of state law.
- E. Any person who petitions the Administrator pursuant to 40 CFR 70.8(d) shall notify the Department by certified mail of such petition as soon as possible, but in no case more than 10 days following such petition. Such notice shall include the grounds for objection and whether such objections were raised during the public comment period. If the Administrator objects to the permit as a result of a petition filed under this subsection, the Director shall not issue the permit until EPA's objection has been resolved, except that a petition for review does not stay the effectiveness of a permit or its requirements if the permit was issued after the end of the 45-day administrative review period and prior to the Administrator's objection.
- F. If the Director has issued a permit prior to receipt of the Administrator's objection under subsection (E), and the Administrator indicates that it should be revised, terminated, or revoked and reissued, the Director shall reopen the permit in accordance with R18-2-321 and may thereafter issue only a revised permit that satisfies the Administrator's objection. In any case, the source shall not be in violation of the requirement to have submitted a timely and complete application.
- G. Prohibition on Default Issuance.
 - 1. No Class I permit including a permit renewal or revision shall be issued until affected states and the Administrator have had an opportunity to review the proposed permit.
 - 2. No permit or renewal shall be issued unless the Director has acted on the application.

R18-2-311. Test Methods and Procedures

- A. Except as otherwise specified in this Chapter, the applicable procedures and testing methods contained in the Arizona Testing Manual; 40 CFR 52, Appendices D and E; 40 CFR 60, Appendices A through F; and 40 CFR 61, Appendices B and C shall be used to determine compliance with the requirements established in this Chapter or contained in permits issued pursuant to this Chapter.
- B. Except as otherwise provided in this subsection the opacity of visible emissions shall be determined by Reference Method 9 of the Arizona Testing Manual or by alternative method ALT-082 approved by the Administrator on May 15, 2012. A permit may specify a method, other than Method 9 or ALT-082, for determining the opacity of emissions from a particular emissions unit, if the method has been promulgated by the Administrator in 40 CFR 60, Appendix A or approved by the Administrator as an alternative method.
- C. Except as otherwise specified in this Chapter, the heat content of solid fuel shall be determined according to ASTM method D-3176-89, (Practice for Ultimate Analysis of Coal and Coke) and ASTM method D-2015-91, (Test Method for Gross Calorific Value of Coal and Coke by the Adiabatic Bomb Calorimeter).
- D. Except for ambient air monitoring and emissions testing required under Articles 9 and 11 of this Chapter, alternative and equivalent test methods in any test plan submitted to the Director may be approved by the Director for the duration of that plan provided that the following three criteria are met:
 - 1. The alternative or equivalent test method measures the same chemical and physical characteristics as the test method it is intended to replace.
 - 2. The alternative or equivalent test method has substantially the same or better reliability, accuracy, and precision as the test method it is intended to replace.



3. Applicable quality assurance procedures are followed in accordance with the Arizona Testing Manual, 40 CFR 60 or other quality assurance methods which are consistent with principles contained in the Arizona Testing Manual or 40 CFR 60 as approved by the Director.

R18-2-312. Performance Tests

- A. ~~Within~~ Except as provided in subsection (J), within 60 days after a source subject to the permit requirements of this Article has achieved the capability to operate at its maximum production rate on a sustained basis but no later than 180 days after initial start-up of such source and at such other times as may be required by the Director, the owner or operator of such source shall conduct performance tests and furnish the Director a written report of the results of the tests.
- B. Performance tests shall be conducted and data reduced in accordance with the test method and procedures contained in the Arizona Testing Manual unless the Director:
 1. Specifies or approves, in specific cases, the use of a reference method with minor changes in methodology;
 2. Approves the use of an equivalent method;
 3. Approves the use of an alternative method the results of which he has determined to be adequate for indicating whether a specific source is in compliance; or
 4. Waives the requirement for performance tests because the owner or operator of a source has demonstrated by other means to the Director's satisfaction that the source is in compliance with the standard.
 5. Nothing in this Section shall be construed to abrogate the Director's authority to require testing.
- C. Performance tests shall be conducted under such conditions as the Director shall specify to the plant operator based on representative performance of the source. The owner or operator shall make available to the Director such records as may be necessary to determine the conditions of the performance tests. Operations during periods of start-up, shutdown, and malfunction shall not constitute representative conditions of performance tests unless otherwise specified in the applicable standard.
- D. The owner or operator of a permitted source shall provide the Director two weeks prior notice of the performance test to afford the Director the opportunity to have an observer present.
- E. The owner or operator of a permitted source shall provide, or cause to be provided, performance testing facilities as follows:
 1. Sampling ports adequate for test methods applicable to such facility.
 2. Safe sampling platform(s).
 3. Safe access to sampling platform(s).
 4. Utilities for sampling and testing equipment.
- F. Each performance test shall consist of three separate runs using the applicable test method. Each run shall be conducted for the time and under the conditions specified in the applicable standard. For the purpose of determining compliance with an applicable standard, the arithmetic means of results of the three runs shall apply. In the event that a sample is accidentally lost or conditions occur in which one of the three runs is required to be discontinued because of forced shutdown, failure of an irreplaceable portion of the sample train, extreme meteorological conditions, or other circumstances beyond the owner or operator's control, compliance may, upon the Director's approval, be determined using the arithmetic means of the results of the two other runs. If the Director, or the Director's designee is present, tests may only be stopped with the Director's or such designee's approval. If the Director, or the Director's designee is not present, tests may only be stopped for good cause, which includes forced shutdown, failure of an irreplaceable portion of the sample train, extreme meteorological conditions, or other circumstances beyond the operator's control. Termination of testing without good cause after the first run is commenced shall constitute a failure of the test.
- G. Except as provided in subsection (H) compliance with the emission limits established in this Chapter or as prescribed in permits issued pursuant to this Chapter shall be determined by the performance tests specified in this Section or in the permit.
- H. In addition to performance tests specified in this Section, compliance with specific emission limits may be determined by:
 1. Opacity tests.
 2. Emission limit compliance tests specifically designated as such in the regulation establishing the emission limit to be complied with.
 3. Continuous emission monitoring, where applicable quality assurance procedures are followed and where it is designated in the permit or in an applicable requirement to show compliance.
- I. Nothing in this Section shall be so construed as to prevent the utilization of measurements from emissions monitoring devices or techniques not designated as performance tests as evidence of compliance with applicable good maintenance and operating requirements.
- J. The owner or operator of a source subject to this Section may request an extension to the performance test deadline due to a force majeure event as follows:
 1. If a force majeure event is about to occur, occurs, or has occurred for which the owner or operator intends to assert a claim of force majeure, the owner or operator shall notify the Director in writing as soon as practicable following the date the owner or operator first knew, or through due diligence should have known that the event may cause or caused a delay in testing beyond the regulatory deadline. The notification must occur before the performance test deadline unless the initial force majeure or a subsequent force majeure event delays the notice, and in such cases, the notification shall be given as soon as practicable.
 2. The owner or operator shall provide to the Director a written description of the force majeure event and a rationale for attributing the delay in testing beyond the regulatory deadline to the force majeure; describe the measures taken or to be taken to minimize the delay; and identify a date by which the owner or operator proposes to conduct the performance test. The performance test shall be conducted as soon as practicable after the force majeure event occurs.
 3. The decision as to whether or not to grant an extension to the performance test deadline is solely within the discretion of the Director. The Director shall notify the owner or operator in writing of approval or disapproval of the request for an extension as soon as practicable.
 4. Until an extension of the performance test deadline has been approved by the Director under paragraphs (1), (2), and (3) of this subsection, the owner or operator remains subject to the requirements of this Section.



5. For purposes of this subsection, a “force majeure event” means an event that will be or has been caused by circumstances beyond the control of the source, its contractors, or any entity controlled by the source that prevents the owner or operator from complying with the regulatory requirement to conduct performance tests within the specified timeframe despite the source's best efforts to fulfill the obligation. Examples of such events are acts of nature, acts of war or terrorism, or equipment failure or safety hazard beyond the control of the source.

R18-2-319. Minor Permit Revisions

- A. Minor permit revision procedures may be used only for those changes at a Class I source that satisfy all of the following:
 1. Do not violate any applicable requirement;
 2. Do not involve substantive changes to existing monitoring, reporting, or recordkeeping requirements in the permit;
 3. Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination of ambient impacts, or ~~a visibility or increment~~ an analysis of impacts on visibility or maximum increases allowed under R18-2-218;
 4. Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed in order to avoid an applicable requirement to which the source would otherwise be subject. The terms and conditions include:
 - a. A federally enforceable emissions cap that the source would assume to avoid classification as a modification under any provision of Title I of the Act; and
 - b. An alternative emissions limit approved under regulations promulgated under the section 112(i)(5) of the Act.
 5. Are not modifications under any provision of Title I of the Act;
 6. Are not changes in fuels not represented in the permit application or provided for in the permit;
 7. Are not minor NSR modifications subject to R18-2-334, ~~except that minor NSR modifications subject to R18-2-334(G) may be processed as minor permit revisions~~; and
 8. Are not required to be processed as a significant permit revision under R18-2-320.
- B. Minor permit revision procedures shall be used for the following changes at a Class II source:
 1. A change that triggers a new applicable requirement if all of the following apply:
 - a. The change is not a minor NSR modification subject to R18-2-334, ~~except that minor NSR modifications subject to R18-2-334(G) may be processed as minor permit revisions~~;
 - b. A case-by-case determination of an emission limitation or other standard is not required; and
 - c. The change does not require the source to obtain a Class I permit;
 2. A change that increases emissions above the permitted level unless the increase otherwise creates a condition that requires a significant permit revision;
 3. A change in fuel from fuel oil or coal, to natural gas or propane, if not authorized in the permit;
 4. A change that results in emissions subject to monitoring, recordkeeping, or reporting under R18-2-306(A)(3),(4), or (5) and that cannot be measured or otherwise adequately quantified by monitoring, recordkeeping, or reporting requirements already in the permit;
 5. A decrease in the emissions permitted under an emissions cap unless the decrease requires a change in the conditions required to enforce the cap or to ensure that emissions trades conducted under the cap are quantifiable and enforceable; and
 6. Replacement of an item of air pollution control equipment listed in the permit with one that does not have the same or better efficiency.
- C. As approved by the Director, minor permit revision procedures may be used for permit revisions involving the use of economic incentives, marketable permits, emissions trading, and other similar approaches, to the extent that the minor permit revision procedures are explicitly provided for in an applicable implementation plan or in applicable requirements promulgated by the Administrator.
- D. An application for minor permit revision shall be on the standard application form ~~contained in Appendix 1~~ provided under R18-2-304(B) and include the following:
 1. A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;
 2. For Class I sources, and any source that is making the change immediately after it files the application, the source's suggested draft permit;
 3. Certification by a responsible official, consistent with standard permit application requirements, that the proposed revision meets the criteria for use of minor permit revision procedures and a request that the procedures be used;
- E. EPA and affected state notification. For Class I permits, within five working days of receipt of an application for a minor permit revision, the Director shall notify the Administrator and affected states of the requested permit revision in accordance with R18-2-307.
- F. For Class I permits, the Director shall not issue a final permit revision until after the Administrator's 45-day review period or until the Administrator has notified the Director that the Administrator will not object to issuance of the permit revision, whichever is first, although the Director may approve the permit revision before that time. Within 90 days of the Director's receipt of an application under minor permit revision procedures, or 15 days after the end of the Administrator's 45-day review period, whichever is later, the Director shall do one or more of the following:
 1. Issue the permit revision as proposed,
 2. Deny the permit revision application,
 3. Determine that the proposed permit revision does not meet the minor permit revision criteria and should be reviewed under the significant revision procedures, or
 4. Revise the proposed permit revision and transmit to the Administrator the new proposed permit revision as required in R18-2-307.
- G. The source may make the change proposed in its minor permit revision application immediately after it files the application. After a Class I source makes a change allowed by the preceding sentence, and until the Director takes any of the actions specified in subsection (F), the source shall comply with both the applicable requirements governing the change and the proposed revised permit terms



and conditions. During this time period, the Class I source need not comply with the existing permit terms and conditions it seeks to modify. However, if the Class I source fails to comply with its proposed permit terms and conditions during this time period, the existing permit terms and conditions it seeks to revise may be enforced against it.

- H. The permit shield under R18-2-325 shall not extend to minor permit revisions.
- I. Notwithstanding any other part of this Section, the Director may require a permit to be revised under R18-2-320 for any change that, when considered together with any other changes submitted by the same source under this Section or R18-2-317.02 over the life of the permit, do not satisfy subsection (A) for Class I sources or subsection (B) for Class II sources.
- J. The Director shall make available to the public monthly summaries of all applications for minor permit revisions.

R18-2-320. Significant Permit Revisions

- A. For Class I sources, a significant revision shall be used for an application requesting a permit revision that does not qualify as a minor permit revision or as an administrative amendment. A significant revision that is only required because of a change described in R18-2-319(A)(6) or (7) shall not be considered a significant permit revision under part 70 for the purposes of 40 CFR 64.5(a)(2). Every significant change in existing monitoring permit terms or conditions and every relaxation of reporting or recordkeeping permit terms or conditions shall follow significant revision procedures.
- B. A source with a Class II permit shall make the following changes only after the permit is revised following the public participation requirements of R18-2-330:
 - 1. Establishing or revising a voluntarily accepted emission limitation or standard as described by R18-2-306.01 or R18-2-306.02, except a decrease in the limitation authorized by R18-2-319(B)(5);
 - 2. Making any change in fuel not authorized by the permit and that is not fuel oil or coal, to natural gas or propane;
 - 3. A change that is a minor NSR modification subject to R18-2-334, ~~except for a minor modification subject to R18-2-334(G);~~
 - 4. A change that relaxes monitoring, recordkeeping, or reporting requirements, except when the change results from:
 - a. Removing equipment that results in a permanent decrease in actual emissions, if the source keeps onsite records of the change in a log that satisfies Appendix 3 of this Chapter and if the requirements that are relaxed are present in the permit solely for the equipment that was removed; or
 - b. A change in an applicable requirement.
 - 5. A change that will cause the source to violate an existing applicable requirement including the conditions establishing an emissions cap;
 - 6. A change that will require any of the following:
 - a. A case-by-case determination of an emission limitation or other standard;
 - b. A source-specific determination of ambient impacts, ~~or a visibility or increment~~ an analysis of impacts on visibility or maximum allowable increases allowed under R18-2-218; or
 - c. A case-by-case determination of a monitoring, recordkeeping, and reporting requirement.
 - 7. A change that requires the source to obtain a Class I permit.
- C. Any modification to a major source of federally listed hazardous air pollutants, and any reconstruction of a source, or a process or production unit, under section 112(g) of the Act and regulations promulgated thereunder, shall follow significant permit revision procedures and any rules adopted under A.R.S. § 49-426.03.
- D. Significant permit revisions shall meet all requirements of this Article for applications, public participation, review by affected states, and review by the Administrator that apply to permit issuance and renewal. Notwithstanding R18-2-330(C), the Director may provide notice for changes requiring a significant permit revision solely under subsection (B)(2), (4) or (6)(c) by posting a notice on the Department's web site, sending e-mails to persons who have requested electronic notification of the Department's proposed air quality permit actions and by mailing a copy of the notice as provided in R18-2-330(C)(1).
- E. When an existing source applies for a significant permit revision to revise its permit from a Class II permit to a Class I permit, it shall submit a Class I permit application in accordance with R18-2-304. The Director shall issue the entire permit, and not just the portion being revised, in accordance with Class I permit content and issuance requirements, including requirements for public, affected state, and EPA review, contained in R18-2-307 and R18-2-330.

R18-2-324. Portable Sources

- A. A portable source that will operate for the duration of its permit solely in one county that has established a local air pollution control program pursuant to A.R.S. § 49-479 shall obtain a permit from that county. A portable source with a county permit shall not operate in any other county. A portable source that has a permit issued by the Director and obtains a county permit shall request that the Director terminate the permit. Upon issuance of the county permit, the permit issued by the Director is no longer valid.
- B. A portable source which has a county permit but proposes to operate outside that county shall obtain a permit from the Director. A portable source that has a permit issued by a county and obtains a permit issued by the Director shall request that the county terminate the permit. Upon issuance of a permit by the Director, the county permit is no longer valid. Before commencing operation in the new county, the source shall notify the Director and the control officer who has jurisdiction in the county that includes the new location according to subsection ~~(D)(C)~~.
- ~~C. An owner of portable source equipment which requires a permit under this Chapter shall obtain the permit prior to renting or leasing said equipment. This permit shall be provided by the owner to the renter or lessee, and the renter or lessee shall be bound by the permit provisions. In the event a copy of the permit is not provided to the renter or lessee, both the owner and the lessee or renter shall be responsible for the operation of this equipment in compliance with the permit conditions and any violations thereof.~~
- ~~DC.~~ A portable source may be transferred from one location to another provided that the owner or operator of such equipment notifies the Director and any control officer who has jurisdiction over the geographic area that includes the new location of the transfer ~~by certified mail at least 10 working days before~~ prior to the transfer. The notification required under this subsection shall include:
 - 1. A description of the equipment to be transferred including the permit number for such equipment;
 - 2. A description of the present location;



3. A description of the new location to which the equipment is to be transferred, including the availability of all utilities, such as water and electricity, necessary for the proper operation of all control equipment;
4. The date on which the equipment is to be moved; and
5. The date on which operation of the equipment will begin at the new location.

FD. Any permit for a portable source shall contain conditions that will assure compliance with all applicable requirements at all authorized locations.

R18-2-326. Fees Related to Individual Permits

A. Source Categories. The owner or operator of a source required to have an air quality permit from the Director shall pay the fees described in this Section unless authorized to operate under a general permit issued under Article 5. The fees are based on a source being classified in one of the following three categories:

1. Class I Title V sources are those required or that elect to have a permit under R18-2-302(B)(1).
2. Class II Title V sources are those required to have a permit under R18-2-302(B)(2) and ~~for which either R18-2-302(B)(2)(a)(i) or (ii) applies that are subject to new source performance standards or national emission standards for hazardous air pollutants.~~
3. Class II Non-Title V sources are those required to have a permit under R18-2-302(B)(2) and ~~for which neither R18-2-302(B)(2)(a)(i) nor (ii) applies that are not subject to new source performance standards or national emission standards for hazardous air pollutants.~~

B. Fees for Permit Actions.

1. The owner or operator of a Class I Title V source, Class II Title V source, or Class II Non-Title V source shall pay to the Director the following:
 - a. \$133.50 per hour, adjusted annually under subsection (H), for all permit processing time required for a billable permit action; and
 - b. The actual costs of public notice conducted according to R18-2-330.
2. The Director may require periodic payment of permit processing fees based on the most recent accounting of time spent processing the permit including any fees for contractors.
3. Upon completion of permit processing activities other than issuance or denial of the permit or permit revision, the Director shall send notice of the decision to the applicant along with a final itemized bill. The maximum fee for any billable permit action for a non-Title V source is \$25,000. Except as provided in subsection (G), the Director shall not issue a permit or permit revision until the final bill is paid in full.

C. Class I Title V Fees. The owner or operator of a Class I Title V source that has undergone initial startup by January 1 shall annually pay to the Director an administrative fee plus an emissions-based fee as follows:

1. The applicable administrative fee from the table below, as adjusted annually under subsection (H). The fee is due by February 1 or 60 days after the Director mails the invoice under subsection (F), whichever is later.

Class I Title V Source Category	Administrative Fee
Aerospace	\$20,800
Air Curtain Destructors	\$750
Cement Plants	\$63,690
Combustion/Boilers	\$15,480
Compressor Stations	\$12,730
Electronics	\$20,490
Expandable Foam	\$14,680
Foundries	\$19,520
Landfills	\$15,960
Lime Plants	\$60,160
Copper & Nickel Mines	\$15,000
Gold Mines	\$15,000
Mobile Home Manufacturing	\$14,830
Paper Mills	\$20,480
Paper Coaters	\$15,480
Petroleum Products Terminal Facilities	\$22,730
Polymeric Fabric Coaters	\$20,480
Reinforced Plastics	\$15,480
Semiconductor Fabrication	\$26,930
Copper Smelters	\$63,690
Utilities - Fossil Fuel Fired Except Coal	\$16,440
Utilities - Coal Fired	\$32,570
Vitamin/Pharmaceutical Manufacturing	\$15,800



Wood Furniture	\$15,480
Others	\$20,490
Others with Continuous Emissions Monitoring	\$20,490

2. An emissions-based fee of \$38.25 per ton of actual emissions of all regulated pollutants emitted during the previous calendar year ending 12 months earlier. The fee is adjusted annually under subsection (C)(2)(d) and due by February 1 or 60 days after the Director mails the invoice under subsection (F), whichever is later.
 - a. For purposes of this Section, “actual emissions” means the quantity of all regulated pollutants emitted during the calendar year, as determined by the annual emissions inventory under R18-2-327.
 - b. For purposes of this Section, regulated pollutants consist of the following:
 - i. Nitrogen oxides and any volatile organic compounds;
 - ii. Conventional air pollutants, except carbon monoxide and ozone;
 - iii. Any pollutant that is subject to any standard promulgated under Section 111 of the Act, including fluorides, sulfuric acid mist, hydrogen sulfide, total reduced sulfur, and reduced sulfur compounds; and
 - iv. Any federally listed hazardous air pollutant.
 - c. For purposes of this Section, the following emissions of regulated pollutants are excluded from a source’s actual emissions:
 - i. Emissions of any regulated pollutant from the source in excess of 4,000 tons per year;
 - ii. Emissions of any regulated pollutant already included in the actual emissions for the source, such as a federally listed hazardous air pollutant that is already accounted for as a VOC or as PM₁₀;
 - iii. Emissions from insignificant activities listed in the permit application for the source under ~~R18-2-304(E)(8)~~ R18-2-304(F)(8);
 - iv. Fugitive emissions of PM₁₀ from activities other than crushing, belt transfers, screening, or stacking; and
 - v. Fugitive emissions of VOC from solution-extraction units.
 - d. The Director shall adjust the rate for emission-based fees every November 1, after December 4, 2007, by multiplying \$38.25 by the Consumer Price Index (CPI) for the most recent year, and then dividing by the CPI for the year 2007. The Consumer Price Index for any year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of that year.
- D. Class II Title V Fees. The owner or operator of a Class II Title V source that has undergone initial startup by January 1 shall pay the applicable administrative fee from the table below, adjusted under subsection (H), for that calendar year, and annually thereafter. The fee is due by February 1 or 60 days after the Director mails the invoice under subsection (F), whichever is later.

Class II Title V Source Category	Administrative Fee
Synthetic minor sources, except portable sources	Administrative fee from Class I Title V table for category
Stationary	\$8,070
Portables	\$8,070
Small Source	\$750

- E. Class II Non-Title V Fees. The owner or operator of a Class II Non-Title V source that has undergone initial startup by January 1 shall pay the applicable inspection fee from the table below, adjusted under subsection (H), for that calendar year, and annually thereafter. The fee is due by February 1 or 60 days after the Director mails the invoice under subsection (F), whichever is later.

Class II Non-Title V Source Category	Inspection Fee
Stationary	\$5,230
Portables	\$5,230
Gasoline Service Stations	\$750

- F. The Director shall mail the owner or operator of each source an invoice for all fees due under subsections (C), (D), or (E) by December 1.
- G. Any person who receives a final itemized bill from the Director under this Section for a billable permit action may request an informal review of the hours billed and may pay the bill under protest as provided below:
 1. The request shall be made in writing, and received by the Director within 30 days of the date of the final bill. Unless the Director and person agree otherwise, the informal review shall take place within 30 days after the Director’s receipt of the request. The Director shall arrange the date and location of the informal review with the person at least 10 business days before the informal review. The Director shall review whether the amounts of time billed are correct and reasonable for the tasks involved. The Director shall mail his or her decision on the informal review to the person within 10 business days after the informal review date.
 2. The Director’s decision after informal review shall become final unless, within 30 days after person’s receipt of the informal review decision, the person requests a hearing under R18-1-202.
 3. If the final itemized bill is paid under protest, the Director shall take final action on the permit or permit revision.



- H. The Director shall adjust the hourly rate every November 1, to the nearest 10 cents per hour, after December 4, 2007, by multiplying \$133.50 by the Consumer Price Index (CPI) for the most recent year, and then dividing by the CPI for the year 2007. The Director shall adjust the administrative or inspection fees listed in subsections (C), (D), and (E) every November 1, to the nearest \$10, beginning December 4, 2007, by multiplying the administrative or inspection fee by the Consumer Price Index (CPI) for the most recent year, and then dividing by the CPI for the year 2007. The Consumer Price Index for any year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of that year.
- I. An applicant for a Class I or Class II permit or permit revision may request that the Director provide accelerated processing of the application by providing the Director written notice 60 days before filing the application. The request shall be accompanied by an initial fee of \$15,000. The fee is non-refundable to the extent of the Director's costs for accelerating the processing if the Director undertakes the accelerated processing described below:
1. If an applicant requests accelerated permit processing, the Director may, to the extent practicable, undertake to process the permit or permit revision according to the following schedule:
 - a. For applications for initial Class I and II permits under R18-2-302 or significant permit revisions under R18-2-320, the Director shall issue or deny the proposed permit or permit revision within 120 days after the Director determines that the application is complete.
 - b. For minor permit revisions under R18-2-319, the Director shall issue or deny the permit revision within 60 days after receiving a complete application.
 2. At any time after an applicant requests accelerated permit processing, the Director may require additional advance payments based on the most recent estimate of additional costs.
 3. Upon completion of permit processing activities but before issuance or denial of the permit or permit revision, the Director shall send notice of the decision to the applicant along with a final bill. The maximum fee for any billable permit action for a non-Title V source is \$25,000. The final bill shall include all regular permit processing and other fees due, and, in addition, the difference between the cost of accelerating the permit application, including any costs incurred by the Director in contracting for, hiring, or supervising the work of outside consultants, and all advance payments submitted for accelerated processing. In the event all payments made exceed actual accelerated permit costs, the Director shall refund the excess advance payments. Nothing in this subsection affects the public participation requirements of R18-2-330, or EPA and affected state review as required under R18-2-307 or R18-2-319.
- J. Inactive Sources. The owner or operator of a permitted source that has undergone initial startup but was shut down for the entire preceding year shall pay 50 percent of the administrative or inspection fee required under subsection (C), (D), or (E). The owner or operator of a source claiming inactive status under this subsection shall submit a letter to the Director by December 15 of the calendar year for which the source was inactive. Termination of a permit does not relieve a source of any past fees due.
- K. If an applicant uses the Tier 4 method for conducting a risk management analysis (RMA) according to R18-2-1708(B), the applicant shall pay any costs incurred by the Director in contracting for, hiring or supervising work of outside consultants.
- ML. Transition.**
1. Subsections (A) through (J) of this Section are effective December 4, 2007. The first administrative or inspection fees are due on February 1, 2008.
 2. Except as provided in subsection (b), all fees incurred after December 4, 2007, are payable in accordance with the rates contained in this Section.
 - a. Emission-based fees for calendar year 2006 shall be billed at \$38.25 per ton and be due February 1, 2008.
 - b. The hourly rates and maximum fees for a new permit or permit revision are those in effect when the application for the permit or revision is determined to be complete.
 - c. Fees accrued but not yet paid before the effective date of this Section remain as obligations to be paid to the Department.
- R18-2-327. Annual Emissions Inventory Questionnaire**
- A. Every source subject to permit requirements under this Chapter shall complete and submit to the Director an annual emissions inventory questionnaire. The questionnaire is due by March 31 or 90 days after the Director makes the inventory form available, whichever occurs later, and shall include emission information for the previous calendar year. These requirements apply whether or not a permit has been issued and whether or not a permit application has been filed.
- B. The questionnaire shall be on a form provided by the Director and shall include the following information:
1. The source's name, description, mailing address, contact person and contact person phone number, and physical address and location, if different than the mailing address.
 2. Process information for the source, including design capacity, operations schedule, and emissions control devices, their description and efficiencies.
 3. The actual quantity of emissions from permitted emission points and fugitive emissions as provided in the permit, including documentation of the method of measurement, calculation, or estimation, determined pursuant to subsection (C), of the following regulated air pollutants:
 - a. Any single regulated air pollutant in a quantity greater than 1 ton or the amount listed for the pollutant in the definition of "significant" in ~~R18-2-101(130)(a)~~ R18-2-101(131)(a) or (b), whichever is less.
 - b. Any combination of regulated air pollutants in a quantity greater than 2 1/2 tons.
- C. Actual quantities of emissions shall be determined using the following emission factors or data:
1. Whenever available, emissions estimates shall either be calculated from continuous emissions monitors certified pursuant to 40 CFR 75, Subpart C and referenced appendices, or data quality assured pursuant to Appendix F of 40 CFR 60.
 2. When sufficient data pursuant to subsection (C)(1) is not available, emissions estimates shall be calculated from data from source performance tests conducted pursuant to R18-2-312 in the calendar year being reported or, when not available, conducted in the most recent calendar year representing the operating conditions of the year being reported.



3. When sufficient data pursuant to subsection (C)(1) or (2) is not available, emissions estimates shall be calculated using emissions factors from EPA Publication No. AP-42 "Compilation of Air Pollutant Emission Factors," Volume I: Stationary Point and Area Sources, Fifth Edition, 1995, U.S. Environmental Protection Agency, Research Triangle Park, NC, including Supplements A through F and all updates published through July 1, 2011 (and no future editions). AP-42 is incorporated by reference and is on file with the Department of Environmental Quality and can be obtained from the Government Printing Office, 732 North Capitol Street, NW, Washington, D.C. 20401, telephone (202) 512-1800, or by downloading the document from the web site for the EPA Clearinghouse for Emission Inventories and Emission Factors.
4. When sufficient data pursuant to subsections (C)(1) through (C)(3) is not available, emissions estimates shall be calculated from material balance using engineering knowledge of process.
5. When sufficient data pursuant to subsections (C)(1) through (4) is not available, emissions estimates shall be calculated by equivalent methods approved by the Director. The Director shall only approve methods that are demonstrated as accurate and reliable as one of the methods in subsections (C)(1) through (4).
- D. Actual quantities of emissions calculated under subsection (C) shall be determined on the basis of actual operating hours, production rates, in-place process control equipment, operational process control data, and types of materials processed, stored, or combusted.
- E. An amendment to an annual emission inventory questionnaire, containing the documentation required by subsection (B)(3), shall be submitted to the Director by any source whenever it discovers or receives notice, within two years of the original submittal, that incorrect or insufficient information was submitted to the Director by a previous questionnaire. If the incorrect or insufficient information resulted in an incorrect annual emissions fee, the Director shall require that additional payment be made or shall apply an amount as a credit to a future annual emissions fee. The submittal of an amendment under this subsection (shall) not subject the owner or operator to an enforcement action or a civil or criminal penalty if the original submittal of incorrect or insufficient information was due to reasonable cause and not willful neglect.
- F. The Director may require submittal of supplemental emissions inventory questionnaires for air contaminants pursuant to A.R.S. §§ 49-422, 49-424, and 49-426.03 through 49-426.08.

R18-2-330. Public Participation

- A. The Director shall provide public notice, an opportunity for public comment, and an opportunity for a hearing before taking any of the following actions:
 1. ~~A permit issuance or renewal of a permit~~ The issuance or denial of a permit or permit renewal.
 2. ~~The issuance or denial of a~~ A significant permit revision,
 3. ~~Revocation~~ The revocation and reissuance or reopening of a permit,
 4. ~~The grant of any~~ Any conditional orders pursuant to R18-2-328,
 5. ~~Granting a variance from a general permit under R18-2-507 and R18-2-1705.~~ The issuance or denial of a registration for the construction of a source, except as provided in R18-2-302.01(B)(5).
- B. The Director shall provide public notice of receipt of complete applications for permits or permit revisions subject to Article 4 of this Chapter by publishing a notice in a newspaper of general circulation in the county where the source is or will be located.
- C. The Director shall provide the notice required pursuant to subsection (A) as follows:
 1. The Director shall publish the notice once each week for two consecutive weeks in two newspapers of general circulation in the county where the source is or will be located.
 2. The Director shall mail a copy of the notice to persons on a mailing list developed by the Director consisting of those persons who have requested in writing to be placed on such a mailing list.
- ~~D3.~~ The notice required by subsection (C) shall include the following:
 - ~~1a.~~ 1a. Identification of the affected facility;
 - ~~2b.~~ 2b. Name and address of the permittee or applicant;
 - ~~3c.~~ 3c. Name and address of the permitting authority processing the permit action;
 - ~~4d.~~ 4d. The activity or activities involved in the permit action;
 - ~~5e.~~ 5e. The emissions change involved in any permit revisions;
 - ~~6f.~~ 6f. The air contaminants to be emitted;
 - ~~7g.~~ 7g. If applicable, that a notice of confidentiality has been filed under R18-2-305;
 - ~~8h.~~ 8h. If applicable, that the source has submitted a risk management analysis under R18-2-1708;
 - ~~9i.~~ 9i. A statement that any person may submit written comments, or a written request for a public hearing, or both, on the proposed permit action, along with the deadline for such requests or comments;
 - ~~10j.~~ 10j. The name, address, and telephone number of a person from the Department from whom additional information may be obtained;
 - ~~11k.~~ 11k. Locations where ~~copies of the permit or permit revision application, the proposed permit, and all other materials available to the Director that are relevant to the permit decision~~ the materials identified in subsection (D) may be reviewed; ~~including the closest Department office;~~
 - ~~12l.~~ 12l. The Director shall include a statement in the public notice if the permit or permit revision would result in the generation of emission reduction credits under R18-2-1204, or the utilization of emission reduction credits under R18-2-1206.
- D. By no later than the date notice is first published under subsection (A), the Department shall make copies of the following materials available at a public location in the same county as the stationary source that is the subject of the application and at the closest Department office:
 1. The application;
 2. The proposed permit or permit revision, if applicable;
 3. The Department's analysis in support of the grant or denial of the permit or permit revision; and
 4. All other materials available to the Director that are relevant to the permit decision.
- E. The Director shall hold a public hearing to receive comments on petitions for conditional orders which would vary from requirements of the applicable implementation plan. For all other actions involving a proposed permit, the Director shall hold a public hearing only



upon written request. If a public hearing is requested, the Director shall schedule the hearing and publish notice as described in A.R.S. § 49-444 and subsection (D). The Director shall give notice of any public hearing at least 30 days in advance of the hearing.

- F. At the time the Director publishes the first notice under subsection (C)(1), the applicant shall post a notice containing the information required in subsection ~~(D)~~ (C)(3) at the site where the source is or may be located. Consistent with federal, state, and local law, the posting shall be prominently placed at a location under the applicant's legal control, adjacent to the nearest public roadway, and visible to the public using the public roadway. If a public hearing is to be held, the applicant shall place an additional posting providing notice of the hearing. Any posting shall be maintained until the public comment period is closed.
- G. The Director shall provide at least 30 days from the date of its first notice for public comment to receive comments and requests for a hearing. The Director shall keep a record of the commenters and of the issues raised during the public participation process and shall prepare written responses to all comments received. At the time a final proposed permit is submitted to EPA, in the case of a Class I permit, or a final decision is made, in the case of a Class II permit, the record and copies of the Director's responses shall be made available to the applicant and all commenters.

R18-2-332. Stack Height Limitation

- A. The degree of emission limitation required of any source for control of any pollutant shall not be affected by so much of the source's stack height that exceeds good engineering practice or by any other dispersion technique, except as provided in subsection (B). This section does not require the plan to restrict, in any manner, the actual stack height of any source.
- ~~AB.~~ The limitations set forth herein Subsection (A) shall not apply to: stacks or dispersion techniques used by the owner or operator prior to December 31, 1970, for which the owner or operator had:
 - 1. ~~1. Begun, or caused to begin, a continuous program of physical on-site construction of the stack;~~
 - 2. ~~2. Entered into building agreements or contractual obligations, which could not be cancelled or modified without substantial loss to the owner or operator, to undertake a program of construction of the stack to be completed in a reasonable time Stacks in existence, or dispersion techniques implemented, on or before December 31, 1970, unless the stationary source or emission unit emitting pollutants through the stack, or employing the dispersion technique, was constructed, reconstructed or underwent a major modification after December 31, 1970; or~~
 - 32. Coal-fired steam electric generating units, subject to the provisions of Section 118 of the Act which commenced operation before July 1, 1975 1957, with stacks constructed under a construction contract awarded before February 8, 1974.
- ~~BC.~~ GEP-Good engineering practice stack height is calculated as the greater of the following four numbers in subsections (1) through (4) heights:
 - 1. 213.25 feet (65 meters) measured from the ground-level elevation at the base of the stack;
 - 2. The result of one of the following equations, where "Hg" = good engineering practice stack height measured from the ground-level elevation at the base of the stack; "H" = height of nearby structures measured from the ground-level elevation at the base of the stack; and "L" = lesser dimension (height or projected width) of nearby structures:
 - a. For stacks in existence on January 12, 1979, and for which the owner or operator had obtained all applicable preconstruction permits or approvals required under 40 CFR ~~Parts 51 and 52 and R18-2-403~~, $H_g = 2.5H$, provided the owner or operator produces evidence that this equation was actually relied on in establishing an emission limitation; or
 - 3b. For all other stacks, $H_g = H + 1.5L$, ~~where~~
 - H_g = good engineering practice stack height, measured from the ground-level elevation at the base of the stack;
 - H = height of nearby structure measured from the ground-level elevation at the base of the stack;
 - L = lesser dimension (height or projected width) of nearby structure;
 - provided that the EPA, the Director, or local control agency may require the use of a field study or fluid model to verify GEP good engineering practice stack height for the source; ~~or~~
 - 43. The height demonstrated by a fluid model or a field study approved by the reviewing agency, which ensures that the emissions from a stack do not result in excessive concentrations of any air pollutant as a result of atmospheric downwash, wakes, or eddy effects created by the source itself, nearby structures, or nearby terrain ~~obstacles~~ features;
- D. As used in this Section:
 - 51. For a specific structure or terrain feature, "nearby" ~~shall be means:~~
 - a. For purposes of applying the formulae in ~~subsections (B)(2) and (3) subsection (C)(2)~~, that distance up to five times the lesser of the height or the width dimension of a structure but not greater than 0.8 km (1/2 mile).
 - b. For conducting demonstrations under subsection ~~(B)(4) (C)(3)~~, means not greater than 0.8 km (1/2 mile). An exception is that the portion of a terrain feature may be considered to be nearby which falls within a distance of up to 10 times the maximum height ~~(H+)~~ (Ht) of the feature, not to exceed 2 miles if such feature achieved a height ~~(H+)~~ (Ht) 0.8 km from the stack. ~~The height shall be that is at least 40% of the GEP good engineering practice stack height determined by the formula provided in subsection (B)(3) (C)(2)(b), or 85 feet (26 meters), whichever is greater, as measured from the ground-level elevation at the base of the stack.~~
 - 62. "Excessive concentrations" means, ~~for the purpose of determining good engineering practice stack height under subsection (B)(4):~~
 - a. For sources seeking credit for stack height exceeding that established under ~~subsections (B)(2) and (3) subsection (C)(2)~~, a maximum ground-level concentration due to emissions from a stack due in whole or in part to downwash, wakes, and eddy effects produced by nearby structures or nearby terrain features which individually is at least 40% in excess of the maximum concentration experienced in the absence of such downwash, wakes, or eddy effects and which contributes to a total concentration due to emissions from all sources that is greater than ~~an ambient air quality standard~~ a national ambient air quality standard. For sources subject to the requirements for permits or permit revisions under Article 4 of this Chapter R18-2-406, an excessive concentration alternatively means a maximum ground-level concentration due to emissions from a stack due in whole or part to downwash, wakes or eddy effects produced by nearby structures or nearby terrain features which individually is at least 40% in excess of the maximum concentration experienced in the absence of such downwash, wakes, or eddy effects and greater than the applicable maximum allowable increase contained in R18-2-218. The allowable



- emission rate to be used in making demonstrations under subsection ~~(B)(4)~~ (C)(3) shall be prescribed by the new source performance standard which is applicable to the source category unless the owner or operator demonstrates that this emission rate is infeasible. Where such demonstrations are approved by the Director, an alternative emission rate shall be established in consultation with the source owner or operator;
- b. For sources seeking credit after October 11, 1983, for increases in existing stack heights up to the heights established under ~~subsections (B)(2) and (3)~~ subsection (C)(2), either:
 - i. A maximum ground-level concentration due in whole or in part to downwash, wakes, or eddy effects as provided in subsection ~~(B)(6)(a)~~ (D)(2)(a), except that emission rate specified by any applicable SIP (or, in the absence of such a limit, the actual emission rate) shall be used; or
 - ii. The actual presence of a local nuisance caused by the existing stack, as determined by the Director; and
 - c. For sources seeking credit after January 12, 1979, for a stack height determined under ~~subsections (B)(2) and (3)~~ subsection (C)(2), where the Director requires the use of a field study or fluid model to verify GEP good engineering practice stack height, for sources seeking stack height credit after November 9, 1984, based on the aerodynamic influence of cooling towers, and for sources seeking stack height credit after December 31, 1970, based on the aerodynamic influence of structures not adequately represented by the equations in ~~subsections (B)(2) and (3)~~ subsection (C)(2), a maximum ground-level concentration due in whole or in part to downwash, wakes, or eddy effects that is at least 40% in excess of the maximum concentration experienced in the absence of such downwash, wakes, or eddy effects.
- ~~C. The degree of emission limitation required of any source after the respective date given in subsection (A) above for control of any pollutant shall not be affected by so much of any source's stack height that exceeds good engineering practice or by any other dispersion technique.~~
- ~~D. The good engineering practice (GEP) stack height for any source seeking credit because of plume impaction which results in concentrations in violation of national ambient air quality standards or applicable maximum allowable increases under R18-2-218 can be adjusted by determining the stack height necessary to predict the same maximum air pollutant concentration on any elevated terrain feature as the maximum concentration associated with the emission limit which results from modelling the source using the GEP stack height as determined herein and assuming the elevated terrain features to be equal in elevation to the GEP stack height. If this adjusted GEP stack height is greater than stack height the source proposes to use, the source's emission limitation and air quality impact shall be determined using the proposed stack height and the actual terrain heights.~~
- E. Before the Director issues a permit or permit revision under ~~this Article R18-2-334 or Article 4~~ to a source based on a good engineering practice stack height that exceeds the height allowed by subsection ~~(B)~~ (B)(1) or (2), the Director shall notify the public of the availability of the demonstration study and provide opportunity for a public hearing in accordance with the requirements of ~~R18-4-402~~ R18-2-330.

R18-2-334. Minor New Source Review

A. Applicability.

1. Except as provided in subsection (A)(4), this Section shall apply to the following activities:
 - a. Construction of any new Class I or Class II source, including the construction of any source requiring a Class II permit under R18-2-302.01(C)(4); or
 - b. Any minor NSR modification to a Class I or Class II source.
 2. This Section shall apply to a regulated minor NSR pollutant emitted by a new stationary source subject to this Section, if the source will have the potential to emit that pollutant at an amount equal to or greater than the permitting exemption threshold.
 3. This Section shall apply to an increase in emissions of a regulated minor NSR pollutant from a minor NSR modification, if the modification would increase the source's potential to emit that pollutant by an amount equal to or greater than the permitting exemption threshold.
 4. This Section shall not apply to the emissions of a pollutant from any of the activities identified in this subsection, if the emissions of that pollutant are subject to Article 4 of this Chapter.
- B.** No person shall begin actual construction of a new stationary source, or minor NSR modification, subject to this Section without first obtaining a permit, a permit revision, a proposed final permit, or a proposed final permit revision from the Director in accordance with R18-2-304.
- C.** The Director shall not issue a proposed final Class I permit or permit revision or a Class II permit or permit revision subject to this Section to a person proposing to construct a new source or make a minor NSR modification unless the source or modification meets one of the following conditions for each regulated minor NSR pollutant subject to this section:
1. The owner or operator elects to implement RACT.
 - a. In the case of a new source, the owner or operator shall implement RACT for each emissions unit that has the potential to emit a regulated minor NSR pollutant in an amount equal to or greater than 20% of the permitting exemption threshold.
 - b. In the case of a minor NSR modification, the owner or operator shall implement RACT for each emissions unit that will experience an increase in the potential to emit a regulated minor NSR pollutant equal to or greater than 20% of the permitting exemption threshold.
 - c. When it is technically feasible and otherwise consistent with the definition of RACT to apply the same devices, systems, process modifications, work practices or other apparatus or techniques to a group of emissions units, that group of emissions units shall be treated as a single emissions unit for purposes of subsections (C)(1)(a) and (b). The following are examples of situations to which this subsection (may) apply:
 - i. Emissions from a group of emissions units can be vented to a single control device.
 - ii. A low-VOC coating can be used in several spray-painting booths.
 2. An ambient air quality assessment demonstrates that emissions from the source or minor NSR modification will not interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard in Arizona or any affected state.



- a. An owner or operator may elect to have the Director perform a ~~SCREEN screening~~ model of its emissions. If the results of the ~~SCREEN screening~~ model indicate that the source or minor NSR modification will interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard, the owner or operator may perform a more refined model to make the demonstration required by this subsection.
 - b. The requirements of this subsection shall be satisfied, if the results of the ~~SCREEN screening~~ or more refined ~~modeling model~~ conducted pursuant to subsection (B)(2)(a) demonstrate either of the following:
 - i. Ambient concentrations resulting from emissions from the source or modification combined with existing concentrations of regulated minor NSR pollutants will not ~~cause or exacerbate the violation of a standard imposed in Article 2 of this Chapter~~ interfere with attainment or maintenance of a national ambient air quality standard.
 - ii. Emissions from the source or minor modification will have an ambient impact below the significance levels as defined in R18-2-401.
 - c. The assessment required by this subsection shall take into account any limitations, controls or emissions decreases that are or will be enforceable in the permit or permit revision for the source.
- D. RACT Determinations.**
- 1. Except as otherwise provided in this subsection, the Director shall determine RACT on the basis of a case-by-case analysis performed by the permit applicant of the emission reduction methods available for each emission unit subject to the RACT requirement under subsection (C)(1).
 - 2. The Director shall accept a requirement proposed by a permit applicant as RACT under subsection (C)(1) if it complies with the most recently adopted of the following guidelines or standards in effect at the time of the application:
 - a. A control technique guideline issued by the Administrator under section 108(f)(1) of the Act.
 - b. An emissions standard established or revised by the Administrator for the same type of source under section 111 or 112 of the Act after November 15, 1990.
 - c. An applicable requirement of this Chapter or of air quality control regulations adopted by a County under A.R.S. § 49-479 that has been specifically identified as constituting RACT.
 - d. A RACT standard imposed on the same type of source by a general permit.
 - e. A RACT standard imposed on the same type of source under this Section no more than 10 years before submission of the application by the permit applicant. To facilitate identification of previously imposed RACT standards, the Director shall establish an online database of RACT determinations made under this Section.
- E.** Notwithstanding an election to adopt RACT under subsection (C)(1), a permit applicant subject to this Section shall conduct an ambient air quality impact assessment under subsection (C)(2) upon the Director's request. The Director shall make such a request, if there is reason to believe that a source or minor NSR modification could interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standards. In making that determination, the Director shall take into consideration:
- 1. The source's emission rates.
 - 2. The location of emission units within the facility and their proximity to the ambient air.
 - 3. The terrain in which the source is or will be located.
 - 4. The source type.
 - 5. The location and emissions of nearby sources.
 - 6. Background concentrations of regulated minor NSR pollutants.
- F.** The Director shall deny an application for a Class I permit or permit revision or a Class II permit or permit revision subject to this Section, if an assessment conducted pursuant to subsection (C)(2) demonstrates that the source or modification will interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard.
- G.** ~~An application for a permit or permit revision subject to this Section may be processed as a minor permit revision if one of the following conditions is satisfied for each pollutant subject to subsection (C):~~
- 1. ~~A RACT standard is imposed under subsection (D)(2) on each emissions unit that requires such a standard under subsection (C)(1).~~
 - 2. ~~The results of the SCREEN model for a regulated minor NSR pollutant show expected concentrations, including background concentrations, that are less than 75% of the applicable standard imposed in Article 2 of this Chapter.~~
- H.** A copy of the notice required by R18-2-330 for permits or significant permit revisions subject to this Section must also be sent to the Administrator through the appropriate regional office, and to all other state and local air pollution control agencies having jurisdiction in the region in which the source subject to the permit or permit revision will be located. The notice also must be sent to any other agency in the region having responsibility for implementing the procedures required under ~~this subpart~~ 40 CFR 51.1.
- I.** All modeling required pursuant to this Section shall be conducted in accordance with 40 CFR 51, Appendix W.
- J.** The Director shall specify those conditions in the permit that are implemented pursuant to this Section. The specified conditions shall be included in subsequent permit renewals unless modified pursuant to this Section or Article 4 of this Chapter.
- K.** The issuance of a permit or permit revision under this Section shall not relieve the owner or operator of the responsibility to comply fully with applicable provisions of the SIP and any other requirements under local, state, or federal law.
- L.** ~~Delayed Effective Date. This Section shall take effect on the effective date of the Administrator's action approving it as part of the state implementation plan.~~

ARTICLE 4. PERMIT REQUIREMENTS FOR NEW MAJOR SOURCES AND MAJOR MODIFICATIONS TO EXISTING MAJOR SOURCES

R18-2-401. Definitions

The following definitions apply to this Article:

- 1. "Adverse impact on visibility" means visibility impairment that interferes with the management, protection, preservation, or enjoyment of the visitor's visual experience of a federal Class I area, as determined according to R18-2-410. This determination



must be made on a case-by-case basis taking into account the geographic extent, intensity, duration, frequency and time of visibility impairments, and how these factors correlate with times of visitor use of the federal Class I area and the frequency and timing of natural conditions that reduce visibility. This term does not include effects on integral vistas.

2. "Baseline actual emissions" means the rate of emissions, in tons per year, of a regulated NSR pollutant, as determined in accordance with subsections (2)(a) through ~~(e)~~ (d).
 - a. For any existing electric utility steam generating unit, baseline actual emissions means the average rate, in tons per year, at which the unit actually emitted the pollutant during any consecutive 24-month period selected by the owner or operator within the five-year period immediately preceding when the owner or operator begins actual construction of the project. The Director shall allow the use of a different time period upon a determination that it is more representative of normal source operation.
 - i. The average rate shall include fugitive emissions to the extent quantifiable, and emissions associated with startups, shutdowns, and malfunctions.
 - ii. The average rate shall be adjusted downward to exclude any non-compliant emissions that occurred while the source was operating above any emission limitation that was legally enforceable during the consecutive 24-month period.
 - iii. For a regulated NSR pollutant, when a project involves multiple emissions units, only one consecutive 24-month period must be used to determine the baseline actual emissions for the emissions units being changed. A different consecutive 24-month period can be used for each regulated NSR pollutant.
 - iv. The average rate shall not be based on any consecutive 24-month period for which there is inadequate information for determining annual emissions, in tons per year, and for adjusting this amount if required by subsection (2)(a)(ii).
 - b. For any existing emissions unit (other than an electric utility steam generating unit), baseline actual emissions means the average rate, in tons per year, at which the unit actually emitted the pollutant during any consecutive 24-month period selected by the owner or operator within the 10-year period immediately preceding either the date the owner or operator begins actual construction of the project, or the date a complete permit application is received by the Administrator for a permit required under 40 CFR 52.21 or by the Director for a permit required under the state implementation plan, whichever is earlier, except that the 10-year period shall not include any period earlier than November 15, 1990.
 - i. The average rate shall include fugitive emissions to the extent quantifiable, and emissions associated with startups, shutdowns, and malfunctions.
 - ii. The average rate shall be adjusted downward to exclude any non-compliant emissions that occurred while the source was operating above any emission limitation that was legally enforceable during the consecutive 24-month period. This provision applies to excess emissions associated with a malfunction.
 - iii. The average rate shall be adjusted downward to exclude any emissions that would have exceeded an emission limitation with which the major source must currently comply, had such major source been required to comply with such limitations during the consecutive 24-month period. However, if an emission limitation is part of a maximum achievable control technology standard that the Administrator proposed or promulgated under 40 CFR 63, the baseline actual emissions need only be adjusted if the state of Arizona has taken credit for such emissions reductions in an attainment demonstration or maintenance plan consistent with the requirements of 40 CFR 51.165(a)(3)(ii)(G) submitted to the Administrator pursuant to section 110(a)(1) of the Act.
 - iv. For a regulated NSR pollutant, when a project involves multiple emissions units, only one consecutive 24-month period must be used to determine the baseline actual emissions for all existing emissions units affected by the project. A different consecutive 24-month period may be used for each regulated NSR pollutant.
 - v. The average rate shall not be based on any consecutive 24-month period for which there is inadequate information for determining annual emissions, in tons per year, and for adjusting this amount if required by subsection (2)(b)(ii) or (iii).
 - c. For a new emissions unit, the baseline actual emissions for purposes of determining the emissions increase that will result from the initial construction and operation of such unit shall equal zero; and thereafter, for all other purposes, shall equal the unit's potential to emit.
 - d. For a PAL for a stationary source, the baseline actual emissions shall be calculated for existing electric utility steam generating units in accordance with the procedures in subsection (2)(a), for other existing emissions units in accordance with the procedures contained in subsection (2)(b), and for new emissions units in accordance with the procedures contained in subsection (2)(c).
3. "Basic design parameter" means:
 - a. Except as provided in subsection (3)(c), for a process unit at a steam electric generating facility, the owner or operator may select as its basic design parameters either maximum hourly heat input and maximum hourly fuel consumption rate or maximum hourly electric output rate and maximum steam flow rate. When establishing fuel consumption specifications in terms of weight or volume, the minimum fuel quality based on Btu content shall be used for determining the basic design parameters for a coal-fired electric utility steam generating unit.
 - b. Except as provided in subsection (3)(c), the basic design parameters for any process unit that is not at a steam electric generating facility are maximum rate of fuel or heat input, maximum rate of material input, or maximum rate of product output. Combustion process units will typically use maximum rate of fuel input. For sources having multiple end products and raw materials, the owner or operator should consider the primary product or primary raw material when selecting a basic design parameter.
 - c. If the owner or operator believes the basic design parameters in subsections (3)(a) and (b) are not appropriate for a specific industry or type of process unit, the owner or operator may propose to the Director an alternative basic design parameters for the source's process unit. If the Director approves of the use of an alternative basic design parameters, the Director shall issue a permit that is legally enforceable that records such basic design parameters and requires the owner or operator to comply with such parameters.



- d. The owner or operator shall use credible information, such as results of historic maximum capability tests, design information from the manufacturer, or engineering calculations, in establishing the magnitude of the basic design parameters specified in subsections (3)(a) and (b).
- e. If design information is not available for a process unit, then the owner or operator shall determine the process unit's basic design parameters using the maximum value achieved by the process unit in the five-year period immediately preceding the planned activity.
- f. Efficiency of a process unit is not a basic design parameter.
- g. The replacement activity shall not cause the process unit to exceed any emission limitation, or operational limitation that has the effect of constraining emissions, that applies to the process unit and that is legally enforceable.
- 4. "Complete" means, in reference to an application for a permit or permit revision, that the application contains all the information necessary for processing the application. Designating an application complete for purposes of permit processing does not preclude the Department from requesting or accepting any additional information.
- 5. "Dispersion technique" means any technique that attempts to affect the concentration of a pollutant in the ambient air by any of the following:
 - a. Using that portion of a stack that exceeds good engineering practice stack height;
 - b. Varying the rate of emission of a pollutant according to atmospheric conditions or ambient concentrations of that pollutant; or
 - c. Increasing final exhaust gas plume rise by manipulating source process parameters, exhaust gas parameters, stack parameters, or combining exhaust gases from several existing stacks into one stack; or other selective handling of exhaust gas streams that increases the exhaust gas plume rise. This shall not include any of the following:
 - i. The reheating of a gas stream, following use of a pollution control system, for the purpose of returning the gas to the temperature at which it was originally discharged from the facility generating the gas stream.
 - ii. The merging of exhaust gas streams under any of the following conditions:
 - (1) The source owner or operator demonstrates that the facility was originally designed and constructed with the merged gas streams;
 - (2) After July 8, 1985, the merging is part of a change in operation at the facility that includes the installation of pollution controls and is accompanied by a net reduction in the allowable emissions of a pollutant, applying only to the emission limitation for that pollutant; or
 - (3) Before July 8, 1985, the merging was part of a change in operation at the facility that included the installation of emissions control equipment or was carried out for sound economic or engineering reasons. Where there was an increase in the emission limitation or, in the event that no emission limitation was in existence prior to the merging, an increase in the quantity of pollutants actually emitted prior to the merging, the Department shall presume that merging was significantly motivated by an intent to gain emissions credit for greater dispersion. Absent a demonstration by the source owner or operator that merging was not significantly motivated by such intent, the Department shall deny credit for the effects of the merging in calculating the allowable emissions for the source.
 - iii. Smoke management in agricultural or silvicultural prescribed burning programs.
 - iv. Episodic restrictions on residential woodburning and open burning.
 - v. Techniques that increase final exhaust gas plume rise if the resulting allowable emissions of sulfur dioxide from the facility do not exceed 5,000 tons per year.
- 6. "Existing emissions unit" is any emissions unit that is currently in existence and that is not a new emissions unit. A replacement unit is an existing emissions unit.
- 7. "Federal Class I area" means an area designated as Class I under R18-2-217.
- ~~78.~~ "High terrain" means any area having an elevation of 900 feet or more above the base of the stack of a source.
- ~~89.~~ "Innovative control technology" means any system of air pollution control that has not been adequately demonstrated in practice but would have a substantial likelihood of achieving greater continuous emissions reduction than any control system in current practice, or of achieving at least comparable reductions at lower cost in terms of energy, economics, or nonair quality environmental impacts.
- ~~910.~~ "Low terrain" means any area other than high terrain.
- ~~1011.~~ "Lowest achievable emission rate" (LAER) means, for any source, the more stringent rate of emissions based on one of the following:
 - a. The most stringent emissions limitation that is contained in any implementation plan approved or promulgated under sections 110 or 172 of the Act for the class or category of stationary source, unless the owner or operator of the proposed stationary source demonstrates that the limitation is not achievable; or
 - b. The most stringent emissions limitation that is achieved in practice by the class or category of stationary source. This limitation, when applied to a modification, means the lowest achievable emissions rate for the new or modified emissions units within the stationary source. The application of this term shall not permit a proposed new or modified stationary source to emit any pollutant in excess of the amount allowable under the applicable standards of performance in Articles 9 and 11 of this Chapter new source performance standards.
- 12. "Major emissions unit" means:
 - a. Any emissions unit that emits or has the potential to emit 100 tons per year or more of the PAL pollutant in an attainment area; or
 - b. Any emissions unit that emits or has the potential to emit the PAL pollutant in an amount that is equal to or greater than the major source threshold for the PAL pollutant for nonattainment areas. For example, in accordance with the definition of major stationary source in section 182(c) of the Act, an emissions unit would be a major emissions unit for VOC if the emissions unit is located in a serious ozone nonattainment area and it emits or has the potential to emit 50 or more tons of VOC per year.



~~14~~13. “Major source” ~~means~~ is defined as follows:

- a. ~~For purposes of determining the applicability of R18-2-403 through R18-2-405 or R18-2-411, major source means any~~ Any stationary source ~~located in a nonattainment area~~ that emits, or has the potential to emit, 100 tons per year or more of any regulated NSR pollutant, except that the following thresholds shall apply in areas subject to subpart 2, subpart 3 or subpart 4 of part D, Title I of the Act:

Pollutant Emitted	Nonattainment Pollutant and Classification	Quantity Threshold tons/year or more
Carbon Monoxide (CO)	CO, Serious, if stationary sources contribute significantly to CO levels in the area as determined under rules issued by the Administrator	50
VOC	Ozone, Serious	50
VOC	Ozone, Severe	25
PM ₁₀	PM ₁₀ , Serious	70
PM _{2.5}	PM _{2.5} , Serious	70
PM _{2.5} precursors identified in R18-2-101(124)(a)	PM _{2.5} , Serious	70
NO _x	Ozone, Serious	50
NO _x	Ozone, Severe	25

- b. ~~For purposes of determining the applicability of R18-2-406 through R18-2-408 or R18-2-410, major source means any~~ Any stationary source ~~located in an attainment or unclassifiable area~~ that emits, or has the potential to emit, 100 tons per year or more of any regulated NSR pollutant if the source is classified as a ~~Categorical Source~~ categorical source, or 250 tons per year or more of any regulated NSR pollutant if the source is not classified as a ~~Categorical Source~~ categorical source;
- c. ~~Any stationary source that emits, or has the potential to emit, five or more tons of lead per year;~~
- d. ~~A major source includes a physical change that would occur at a stationary source, not otherwise qualifying under subsection (13)(a) or (b) as a major source, if the change would constitute a major source by itself.~~
- e. ~~A major source that is major for VOC or nitrogen oxides shall be considered major for ozone; or,~~
- f. ~~The fugitive emissions of a stationary source shall not be included in determining for any of the purposes of this Section whether it is a major stationary source, unless the source belongs to a section 302(j) category.~~
14. “Mandatory federal Class I area” means an area identified in R18-2-217(B).
- ~~15~~15. “New emissions unit” means any emissions unit which is (or will be) newly constructed and which has existed for less than two years from the date such emissions unit first operated.
- ~~16~~16. “Plantwide applicability limitation” or “PAL” means an emission limitation that is based on the baseline actual emissions of all emissions units at the stationary source that emit or have the potential to emit the PAL pollutant, expressed in tons per year, for a pollutant at a major source, that is enforceable as a practical matter and established source-wide in accordance with this Section.
- ~~17~~17. “PAL allowable emissions” means “allowable emissions” as defined in R18-2-101, except that the allowable emissions for any emissions unit shall be calculated considering any emission limitations that are enforceable as a practical matter on the emissions unit’s potential to emit.



- ~~15~~18. PAL effective date generally means the date of issuance of the PAL permit. However, the PAL effective date for an increased PAL is the date any emissions unit that is part of the PAL major modification becomes operational and begins to emit the PAL pollutant.
- ~~16~~19. “PAL effective period” means the period beginning with the PAL effective date and ending 10 years later.
- ~~17~~20. “PAL major modification” means any physical change in or change in the method of operation of the PAL source that causes it to emit the PAL pollutant at a level equal to or greater than the PAL.
- ~~18~~21. “PAL permit” means the permit issued by the Director that establishes a PAL for a major source under Article 3 or 4 of this Chapter.
- ~~19~~22. “PAL pollutant” means the pollutant for which a PAL is established at a major source.
- ~~20~~23. “Projected actual emissions” means:
- The maximum annual rate, in tons per year, at which an existing emissions unit is projected to emit a regulated NSR pollutant during any 12-month period in the 60 calendar months following the date the unit resumes regular operation after the project, or in any 12-month period in the 120 calendar months following that date if the project involves increasing the design capacity or potential to emit of any emissions unit for that regulated NSR pollutant and full utilization of the unit would result in a significant emissions increase or a significant net emissions increase at the major source.
 - In determining the projected actual emissions before beginning actual construction, the owner or operator of the major source:
 - Shall consider all relevant information, including but not limited to, historical operational data, the company’s own representations, the company’s expected business activity and the company’s highest projections of business activity, the company’s filings with the county, state or federal regulatory authorities, and compliance plans under these regulations; and
 - Shall include fugitive emissions to the extent quantifiable;
 - Shall include emissions associated with startups, ~~and~~ shutdowns, and malfunctions ~~except emissions from a shutdown associated with a malfunction;~~ and
 - Shall exclude, only for calculating any increase in emissions that results from the particular project, that portion of the unit’s emissions following the project that an existing unit could have accommodated during the consecutive 24-month period used to establish the baseline actual emissions and that are also unrelated to the particular project, including any increased utilization due to product demand growth; or
 - In lieu of using the method set out subsections ~~(20)(b)(i)~~ 23(b)(i) through (iv), the owner or operator may elect to use the emissions unit’s potential to emit, in tons per year.
- ~~21. “Reconstruction” of sources located in nonattainment areas shall be presumed to have taken place if the fixed capital cost of the new components exceeds 50% of the fixed capital cost of a comparable entirely new stationary source, as determined in accordance with the provisions of 40 CFR 60.15(f)(1) through (3).~~
- ~~22~~24. “Replacement unit” means an emissions unit for which all the criteria listed in subsections ~~(22)(a)~~ (24)(a) through (d) are met. No creditable emission reductions shall be generated from shutting down the existing emissions unit that is replaced.
- The emissions unit is a reconstructed unit within the meaning of 40 CFR 60.15(b)(1), or the emissions unit completely takes the place of an existing emissions unit.
 - The emissions unit is identical to or functionally equivalent to the replaced emissions unit.
 - The replacement does not alter the basic design parameters of the process unit.
 - The replaced emissions unit is permanently removed from the major source, otherwise permanently disabled, or permanently barred from operation by a permit that is enforceable as a practical matter. If the replaced emissions unit is brought back into operation, it shall constitute a new emissions unit.
- ~~23~~25. “Resource recovery project” means any facility at which solid waste is processed for the purpose of extracting, converting to energy, or otherwise separating and preparing solid waste for reuse. Only energy conversion facilities that utilize solid waste that provides more than 50% of the heat input shall be considered a resource recovery project under this Article.
- ~~24~~26. “Significant emissions unit” means an emissions unit that emits or has the potential to emit a PAL pollutant in an amount that is equal to or greater than the significant level for that PAL pollutant, but less than the amount that would qualify the unit as a major emissions unit.
- ~~25~~27. “Significance levels” means the following ambient concentrations for the enumerated pollutants:

Averaging Time					
Pollutant	Annual	24-Hour	8-Hour	3-Hour	1-Hour
SO ₂	1 µg/m ³	5 µg/m ³		25 µg/m ³	
NO ₂	1 µg/m ³				
CO			0.5 mg/m ³		2 mg/m ³
PM ₁₀	1 µg/m ³	5 µg/m ³			
PM _{2.5} <u>federal</u> Class I area	0.06 µg/m ³	0.07 µg/m ³			
PM _{2.5} <u>federal</u> Class II area	0.3 µg/m ³	1.2 µg/m ³			
PM _{2.5} <u>federal</u> Class III area	0.3 µg/m ³	1.2 µg/m ³			



Except for the annual pollutant concentrations, the Department shall deem that exceedance of significance levels has occurred when the ambient concentration of the above pollutant is exceeded more than once per year at any one location. If the concentration occurs at a specific location and at a time when ~~Arizona ambient air quality standards~~ the national ambient air quality standards for the pollutant are not violated, the significance level does not apply.

~~2628.~~ “Small emissions unit” means an emissions unit that emits or has the potential to emit the PAL pollutant in an amount less than the significant level for that PAL pollutant.

R18-2-402. General

- A. The preconstruction review requirements of this Article shall apply to the construction of any new major source or any project at an existing major source.
- B. The requirements of R18-2-403 through R18-2-410 apply to the construction of ~~a~~ any new major source or ~~a~~ any major modification of any existing ~~stationary~~ major source, except as this Article otherwise provides.
- C. No person shall begin actual construction of a new major source or a major modification subject to the requirements of R18-2-403 through R18-2-410 without first obtaining a proposed final permit from the Director, pursuant to R18-2-307(A)(2), stating that the major source or major modification shall meet those requirements.
- D. The requirements of this Article apply to projects at major sources in accordance with the following principles.
 - 1. Except as otherwise provided in subsection (E), a project is a major modification for a regulated NSR pollutant if it causes both a significant emissions increase and a significant net emissions increase. The project is not a major modification if it does not cause a significant emissions increase. If the project causes a significant emissions increase, then the project is a major modification only if it also results in a significant net emissions increase.
 - 2. The procedure for calculating before beginning actual construction whether a significant emissions increase will occur depends upon the types of emissions units being modified as set forth in subsections (D)(3) through (6). The procedure for calculating before beginning actual construction whether a significant net emissions increase will occur at the major source is set forth in the definition of net emissions increase in R18-2-101. Regardless of any such preconstruction projections, a major modification results if the project causes a significant emissions increase and a significant net emissions increase.
 - 3. Actual-to-projected-actual applicability test for projects that only involve existing emissions units. A significant emissions increase of a regulated NSR pollutant is projected to occur if the sum of the difference between the projected actual emissions and the baseline actual emissions, for each existing emissions unit, equals or exceeds the significant amount for that pollutant.
 - 4. Actual-to-potential applicability test for projects that only involve new emissions units. A significant emissions increase of a regulated NSR pollutant is projected to occur if the sum of the difference between the potential to emit from each new emissions unit following completion of the project and the baseline actual emissions of these units before the project equals or exceeds the significant amount for that pollutant.
 - 5. [Reserved.]
 - 6. Hybrid applicability test for projects that involve both new emissions units and existing emissions units. A significant emissions increase of a regulated NSR pollutant is projected to occur if the sum of the emissions increases for each emissions unit, using the method specified in ~~subsection~~ subsections (D)(3) through (D)(4), as applicable with respect to each emissions unit, equals or exceeds the significant amount for that pollutant.
- E. Any major source with a PAL for a regulated NSR pollutant shall comply with R18-2-412.
- F. This subsection applies with respect to any regulated NSR pollutant emitted from projects at existing emissions units at a major stationary source (other than projects at a source with a PAL) in circumstances where there is a reasonable possibility, within the meaning of subsection (F)(6) ~~of this Section~~, that a project that is not a part of a major modification may result in a significant emissions increase of such pollutant and the owner or operator elects to use the method specified in ~~R18-2-401(20)(b)(i)~~ R18-2-401(23)(b)(i) through (iv) of the definition of projected actual emissions for calculating projected actual emissions.
 - 1. Before beginning actual construction of the project, the owner or operator shall document and maintain a record of the following information:
 - a. A description of the project;
 - b. Identification of the emissions unit(s) with emissions of a regulated NSR pollutant that could be affected by the project;
 - c. A description of the applicability test used to determine that the project is not a major modification for any regulated NSR pollutant, including the baseline actual emissions, the projected actual emissions, ~~the amount of emissions excluded under R18-2-401(20)(b)(iii)~~ R18-2-401(23)(b)(iv) of the definition of projected actual emissions, and an explanation for why such amount was excluded; and
 - d. Any netting calculations, if applicable.
 - 2. If the emissions unit is an existing electric utility steam generating unit, before beginning actual construction, the owner or operator shall provide a copy of the information set out in subsection (F)(1) to the Director. Nothing in this subsection shall be construed to require the owner or operator of such a unit to obtain any determination from the Director before beginning actual construction.
 - 3. The owner or operator shall monitor the emissions of any regulated NSR pollutant that could increase as a result of the project and that is emitted by any emissions unit identified in subsection (F)(1)(b); and calculate and maintain a record of the annual emissions, in tons per year on a calendar year basis, for a period of five years following resumption of regular operations after the change, or for a period of 10 years following resumption of regular operations after the change if the project increases the design capacity or potential to emit of that regulated NSR pollutant at such emissions unit. For purposes of this subsection, fugi-



- tive emissions (to the extent quantifiable) shall be monitored if the emissions unit is part of a section 302(j) category or if the emissions unit is located at a major stationary source that belongs to a section 302(j) category.
4. The owner or operator shall submit a report to the Director if for a calendar year the annual emissions, in tons per year, from the project identified in subsection ~~(F)(1)(a)~~ (F)(1) exceed the sum of the baseline actual emissions, as documented and maintained under subsection (F)(1)(c), by a significant amount for that regulated NSR pollutant, and if the emissions differ from the preconstruction projection as documented and maintained under subsection (F)(1)(c). The owner or operator shall submit the report to the Director within 60 days after the end of the calendar year. The report shall contain the following:
 - a. The name, address and telephone number of the major source;
 - b. The annual emissions as calculated pursuant to subsection (F)(3); and
 - c. Any other information that the owner or operator wishes to include in the report, such as an explanation as to why the emissions differ from the preconstruction projection.
 5. Notwithstanding subsection (F)(4), if any existing emissions unit identified in subsection (F)(1)(b) is an electric utility steam generating unit, the owner or operator shall submit a report to the Director within 60 days after the end of each calendar year during which the owner or operator must generate records under subsection (F)(3). The report shall document the unit's post-project annual emissions during the calendar year that preceded submission of the report.
 6. A "reasonable possibility" under subsection (F) occurs when the owner or operator calculates the project to result in one of the following:
 - a. A projected actual emissions increase of at least 50% of the amount that is a significant emissions increase (without reference to the amount that is a significant net emissions increase) for the regulated NSR pollutant.
 - b. A projected actual emissions increase that, added to the amount of emissions excluded under subsection ~~(R18-2-401(20)(b)(iv))~~ R18-2-401(23)(b)(iv) of the definition of projected actual emissions, sums to at least 50% of the amount that is a significant emissions increase (without reference to the amount that is a significant net emissions increase) for the regulated NSR pollutant. For a project for which a reasonable possibility occurs only within the meaning of subsection (F)(6)(b), and not also within the meaning of subsection (F)(6)(a), subsections (F)(2) through (5) do not apply to the project.
 7. The owner or operator of the source shall make the information required to be documented and maintained under subsection (F) available for review upon request for inspection by the Department or the general public.
- G. An application for a permit or permit revision under this Article, other than a PAL permit pursuant to R18-2-412, shall not be considered complete unless the application demonstrates that:
1. The requirements in subsection (H) are met;
 2. The more stringent of the applicable new source performance standards ~~in Article 9 of this Chapter~~ or the existing source performance standards in Article 7 of this Chapter are applied to the proposed new major source or major modification of a major source;
 3. The visibility requirements contained in R18-2-410 are satisfied;
 4. All applicable provisions of Article 3 of this Chapter are met;
 5. The new major source or major modification will be in compliance with whatever emission limitation, design, equipment, work practice or operational standard, or combination thereof is applicable to the source or modification. The degree of emission limitation required for control of any pollutant under this Article shall not be affected in any manner by:
 - a. Stack height in excess of GEP stack height except as provided in R18-2-332; or
 - b. Any other dispersion technique, unless implemented prior to December 31, 1970;
 6. The new major source or major modification will not exceed the applicable standards for hazardous air pollutants contained in this Chapter;
 7. The new major source or major modification will not exceed the limitations, if applicable, on emission from nonpoint sources contained in Article 6 of this Chapter;
 8. ~~A stationary source that will emit five or more tons of lead per year will not violate the ambient air quality standards for lead contained in R18-2-206;~~
 9. The new major source or major modification will not have an adverse impact on visibility, as determined according to R18-2-410.
- H. Except for assessing air quality impacts within federal Class I areas, the air impact analysis required to be conducted as part of a permit application shall initially consider only the geographical area located within a 50 kilometer radius from the point of greatest emissions for the new major source or major modification. The Director, on his own initiative or upon receipt of written notice from any person shall have the right at any time to request an enlargement of the geographical area for which an air quality impact analysis is to be performed by giving the person applying for the permit or permit revision written notice thereof, specifying the enlarged radius to be so considered. In performing an air impact analysis for any geographical area with a radius of more than 50 kilometers, the person applying for the permit or permit revision may use monitoring or modeling data obtained from major sources having comparable emissions or having emissions which are capable of being accurately used in such demonstration, and which are subjected to terrain and atmospheric stability conditions which are comparable or which may be extrapolated with reasonable accuracy for use in such demonstration.
- I. ~~Unless the requirement has been satisfied pursuant to Article 3 of this Chapter, the~~ The Director shall comply with following requirements with respect to an application for a permit or permit revision subject to this Article:
1. Within 60 days after receipt of ~~an the~~ the application ~~for a permit or permit revision subject to this Article~~, or any addition to ~~such the~~ the application, the Director shall advise the applicant of any deficiency. The date of receipt of ~~the a complete~~ a complete application shall be, for the purpose of this Section, the date on which the Director ~~received~~ receives all required information. The permit application shall not be deemed complete if the Director fails to meet the requirements of this subsection.
 2. Within one year after receipt of a complete application, the Director shall do all of the following:
 - a. Make a preliminary determination as to whether the permit or permit revision should be granted or denied.



- b. Make the application, all materials the applicant submitted, the preliminary determination, and materials relating to the application available under R18-2-330(D).
 - c. Notify the public of the application, the preliminary determination and the opportunity for a public hearing and to submit written comments in accordance with R18-2-330(C). In the case of an application subject to R18-2-406, the notice shall include the degree of consumption of the maximum allowable increases allowed under R18-2-218 that is expected to occur as a result of emissions from the proposed source or modification.
 - d. Take final action on the application by denying the permit or permit revision or issuing a proposed final permit or permit revision.
 - e. Notify the applicant in writing of the approval or denial and make the notification, comments on the proposed action, and materials supporting the final action available for public inspection at the location where materials relating to the proposed action were placed under R18-2-330(D).
23. A copy of any notice required by R18-2-330 and subsection (1)(2)(c) shall be sent to the permit applicant, to the Administrator, and to the following officials and agencies having cognizance over the location where the proposed major source or major modification would occur:
- a. The air pollution control officer, if one exists, for the county wherein the proposed or existing source that is the subject of the permit or permit revision application is located;
 - b. The county manager for the county wherein the proposed or existing source that is the subject of the permit or permit revision application is located;
 - c. The city or town managers of the city or town which contains, and any city or town the boundaries of which are within 5 miles of, the location of the proposed or existing source that is the subject of the permit or permit revision application;
 - d. Any regional land use planning agency with authority for land use planning in the area where the proposed or existing source that is the subject of the permit or permit revision application is located; and
 - e. Any state, Federal Land Manager, or Indian governing body whose lands may be affected by emissions from the proposed source or modification.
3. ~~The Director shall take final action on the application within one year of the proper filing of the completed application. The Director shall notify the applicant in writing of his approval or denial.~~
- 4J. The authority to construct and operate a new major source or major modification under a permit or permit revision issued under this Article shall terminate if the owner or operator does not commence the proposed construction or major modification within 18 months of issuance or if, during the construction or major modification, the owner or operator suspends work for more than 18 months. The Director may extend the 18-month period upon a satisfactory showing that an extension is justified. This provision does not apply to the time period between construction of the approved phases of a phased construction project; each phase must commence construction within 18 months of the projected and approved commencement date.

R18-2-403. Permits for Sources Located in Nonattainment Areas

- A. Except as provided in subsections (C) through (G) below, no permit or permit revision shall be issued under this Article to a person proposing to construct a new major source or make a major modification that is major for the pollutant for which the area is designated nonattainment unless:
- 1. The person demonstrates that the new major source or the major modification will meet an emission limitation which is the lowest achievable emission rate (LAER) for that source for that regulated NSR pollutant.
 - 2. The person demonstrates that all existing major sources owned or operated by that person (or any entity controlling, controlled by, or under common control with that person) in the state are in compliance with, or on a schedule of compliance for, all conditions contained in permits of each of the sources and all other applicable emission limitations and standards under the Act and this Chapter.
 - 3. The person demonstrates that emission reductions for the specific pollutant(s) from source(s) in existence in the allowable offset area of the new major source or major modification (whether or not under the same ownership) meet the offset requirements of R18-2-404.
 - 4. The Administrator has not determined that the applicable implementation plan is not being adequately implemented for the non-attainment area in which the proposed source is to be constructed or modified in accordance with the requirements in this Section.
- B. No permit or permit revision under this Article shall be issued to a person proposing to construct a new major source or make a major modification to a major source located in a nonattainment area unless:
- 1. The person performs an analysis of alternative sites, sizes, production processes, and environmental control techniques for such new major source or major modification; and
 - 2. The Director determines that the analysis demonstrates that the benefits of the new major source or major modification significantly outweigh the environmental and social costs imposed as a result of its location, construction, or modification.
- C. At such time that a particular source or modification becomes a major source or major modification solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the source or modification otherwise to emit a pollutant, such as restriction on hours of operation, then the requirements of this Section shall apply to the source or modification as though construction had not yet commenced on the source or modification.
- D. Secondary emissions shall not be considered in determining the potential to emit of a new source or modification and therefore whether the new source or modification is major. However, if a new source or modification is subject to this Section on the basis of its direct emissions, a permit or permit revision under this Article to construct the new source or modification shall be denied unless the requirements of R18-2-403(A)(3) and R18-2-404 are met for reasonably quantifiable secondary emissions caused by the new source or modification.
- E. A permit to construct a new major source or major modification shall be denied unless the conditions specified in subsections (A)(1), (2), and (3) are met for fugitive emissions caused by the new source or modification. However, these conditions shall not apply to a new major source or major modification that would be a major source or major modification only if fugitive emissions, to the extent



quantifiable, are considered in calculating the potential emissions of the source or modification, and the source does not belong to a section 302(j) category.

- F. The requirements of subsection (A)(3) shall not apply to temporary emissions units, such as pilot plants, portable facilities that will be relocated outside of the nonattainment area and the construction phase of a new source, if those units will operate for no more than 24 months in the nonattainment area, are otherwise in compliance with the requirement to obtain a permit under this Chapter and are in compliance with the conditions of that permit.
- G. A decrease in actual emissions shall be considered in determining the potential of a new source or modification to emit only to the extent that the Director has not relied on it in issuing any permit or permit revision under this Article or the state has not relied on it in demonstrating attainment or reasonable further progress.
- H. The Director shall transmit to the Administrator a copy of each permit application relating to a major stationary source or major modification under this Section. Within 30 days of the issuance of any permit under this Section, the Director shall also submit control technology information from the permit to the Administrator for the purposes listed in Section 173(d) of the Act.
- I. The issuance of a permit or permit revision under this Article in accordance with this Section shall not relieve the owner or operator of the responsibility to comply fully with applicable provisions of the SIP and any other requirements under local, state, or federal law.

R18-2-404. Offset Standards

- A. Increased emissions by a major source or major modification subject to R18-2-403 of each pollutant for which the area has been designated as nonattainment and for which the source or modification is classified as major shall be offset by real reductions in the actual emissions of each the pollutant for which the area has been designated as nonattainment and for which the source or modification is classified as major. Offsets shall be for the same regulated NSR Pollutant, except that emissions of the ozone precursors NOx and VOC may be offset by reductions in emissions of either of those pollutants, provided that all other applicable requirements of this Section and R18-2-405 are satisfied. Except as provided in R18-2-405, ~~emissions increases shall be offset by decreases at a ratio of~~ and subsection (J), the ratio of the total actual reductions to the emissions increase shall be at least 1 to 1.
- B. Except as provided in subsection (B)(1) or (2), for sources and modifications subject to this Section, the baseline for determining credit for emissions reductions is the emissions limit for the source generating the offset credit under the applicable implementation plan in effect at the time the application for a permit or permit revision is filed.
 - 1. The offset baseline shall be the actual emissions of the source from which offset credit is obtained where either of the following conditions is satisfied:
 - a. The demonstration of reasonable further progress and attainment of ambient air quality standards is based upon the actual emissions of sources located within a designated nonattainment area for which the preconstruction review program was adopted.
 - b. The applicable implementation plan does not contain an emissions limitation for that source or source category.
 - 2. Where the emissions limit under the applicable implementation plan allows greater emissions than the potential to emit of the source, emissions offset credit will be allowed only for control below this potential.
- C. For an existing fuel combustion source, emissions offset credit shall be based on the allowable emissions under the applicable implementation plan for the type of fuel being burned at the time the application to construct is filed. If the existing source commits to switch to a cleaner fuel at some future date, emissions offset credit based on the allowable or actual emissions for the fuels involved is not acceptable, unless the permit for the existing source is conditioned to require the use of a specified alternative control measure which would achieve the same degree of emissions reduction should the source switch back to a fuel generating higher emissions. The owner or operator of the existing source must demonstrate that adequate long-term supplies of the new fuel are available before granting emissions offset credit for fuel switches.
- D. Offset Credit for Shutdowns.
 - 1. Emissions reductions achieved by shutting down an existing emission unit or curtailing production or operating hours may be credited for offsets if they meet both of the following conditions.
 - a. The reductions are surplus, permanent, quantifiable, and federally enforceable.
 - b. The shutdown or curtailment occurred after the last day of the base year for the SIP planning process. For purposes of this subsection, the Director may choose to consider a prior shutdown or curtailment to have occurred after the last day of the base year if the projected emissions inventory used to develop the attainment demonstration explicitly includes the emissions from such previously shutdown or curtailed emission units. However, in no event may credit be given for shutdowns that occurred before August 7, 1977.
 - 2. Emissions reductions achieved by shutting down an existing emissions unit or curtailing production or operating hours and that do not meet the requirements in subsection (D)(1)(b) may be credited only if one of the following conditions is satisfied:
 - a. The shutdown or curtailment occurred on or after the date the construction permit application is filed.
 - b. The applicant can establish that the proposed new emissions unit is a replacement for the shutdown or curtailed emissions unit, and the emissions reductions achieved by the shutdown or curtailment met the requirements of subsection (D)(1)(a).
- E. No emissions credit may be allowed for replacing one hydrocarbon compound with another of lesser reactivity, except for those compounds listed in Table 1 of EPA's "Recommended Policy on Control of Volatile Organic Compounds," 42 FR 35314 (July 8, 1977).
- F. All emission reductions claimed as offset credits shall be federally enforceable by the time a proposed final permit is issued to the owner or operator of the major source subject to this Section and shall be in effect by the time the new or modified source subject to the permit commences operation.
- G. The owner or operator of a major source or major modification subject to this Section must obtain offset credits from the same source or from other sources in the same nonattainment area, except that the Director may allow the owner or operator to obtain offset credits from another nonattainment area if both of the following conditions are satisfied:
 - 1. The other area has an equal or higher nonattainment classification than the area in which the source is located.
 - 2. Emissions from such other area contribute to a violation of the national ambient air quality standard in the nonattainment area in which the source is located.



- H. Credit for an emissions reduction can be claimed to the extent that the Director has not relied on it in issuing any permit under this Article, R18-2-334, or the state has not relied on it in a demonstration of attainment or reasonable further progress.
- I. The total tonnage of increased emissions, in tons per year, resulting from a major modification that must be offset under this Section shall be determined by summing the difference between the allowable emissions after the modification and the actual emissions before the modification for each emissions unit.
- J. In ozone nonattainment areas classified as marginal, total emissions of VOC and oxides of nitrogen from other sources shall offset those proposed or permitted from the major source or major modification by a ratio of at least 1.10 to 1. In ozone nonattainment areas classified as moderate, total emissions of VOC and oxides of nitrogen from other sources shall offset those proposed or permitted from the major source or major modification by a ratio of at least 1.15 to 1. New major sources and major modifications in serious and severe ozone nonattainment areas shall comply with this Section and R18-2-405.

R18-2-405. Special Rule for Major Sources of VOC or Nitrogen Oxides in Ozone Nonattainment Areas Classified as Serious or Severe

- A. Applicability. The provisions of this Section only apply to stationary sources of VOC or nitrogen oxides in ozone nonattainment areas classified as serious or severe. Unless otherwise provided in this Section, all requirements of Articles 3 and 4 of this Chapter apply.
- B. “Significant” means, ~~for the purposes of a major modification of any major stationary source of VOC or nitrogen oxides, or for determining whether an otherwise minor source is major under the definition of major source in R18-2-401, any physical change or change in the method of operations that results in net increases in emissions of either pollutant by more than 25 tons when aggregated with all other creditable increases and decreases in emissions from the source over the previous five consecutive calendar years, including the calendar year in which the increase is proposed~~ in reference to an emissions increase or a net emissions increase, any increase in actual emissions of volatile organic compounds or nitrogen oxides that would result from any physical change in, or change in the method of operation of, a major source, if the emissions increase of volatile organic compounds or nitrogen oxides exceeds 25 tons per year.
- C. For any major source that emits or has the potential to emit less than 100 tons of VOC or oxides of nitrogen per year, a physical or operational change that results in a significant increase in VOC or oxides of nitrogen, respectively, from any discrete operation, unit, or other pollutant emitting activity at the source shall constitute a major modification, except that the increase shall not constitute a major modification, if the owner or operator of the source elects to offset the increase by a greater reduction in emissions of VOC or oxides of nitrogen, as applicable, from other operations, units or activities at the source at an internal offset ratio of at least 1.3 to 1. If the owner or operator does not make such an election, the change shall constitute a major modification but BACT shall be substituted for LAER when applying R18-2-403(A)(1) to the major modification.
- D. For any stationary source that emits or has the potential to emit 100 tons or more of VOC or oxides of nitrogen per year, a physical or operational change that results in any significant increase in VOC from any discrete operation, unit or other pollutant emitting activity at the source or oxides of nitrogen, respectively, shall constitute a major modification except that if the owner or operator of the source elects to offset the increase by a greater reduction in emissions of VOC or oxides of nitrogen, as applicable, from other operations, units or activities within the source at an internal offset ratio of at least 1.3 to 1, R18-2-403(A)(1) shall not apply to the change.
- E. For any new major source or major modification that is classified as major because of emissions or potential to emit VOC or nitrogen oxides in an ozone nonattainment area classified as serious, the increase in emissions of these pollutants from the source or modification shall be offset at a ratio of 1.2 to 1. The offset shall be made in accordance with the provisions of R18-2-404.
- F. For any new major source or major modification that is classified as such because of emissions or potential to emit VOC or nitrogen oxides in an ozone nonattainment area classified as severe, the increase in emissions of these pollutants from the source or modification shall be offset at a ratio of 1.3 to 1. These offsets shall be made in accordance with the provisions of R18-2-404.

R18-2-406. Permit Requirements for Sources Located in Attainment and Unclassifiable Areas

- A. Except as provided in subsections (B) through ~~(G)~~ (J) below and R18-2-408 (Innovative control technology), no permit or permit revision under this Article shall be issued to a person proposing to construct a new major source or make a major modification to a major source that would be constructed in an area designated as attainment or unclassifiable for any regulated NSR pollutant unless the source or modification meets the following conditions:
 - 1. A new major source shall apply best available control technology (BACT) for each regulated NSR pollutant for which the potential to emit is significant.
 - 2. A major modification shall apply BACT for each regulated NSR pollutant for which the project would result in a significant net emissions increase at the source. This requirement applies to each proposed emissions unit at which a net emissions increase in the pollutant would occur as a result of a physical change or change in the method of operation in the unit.
 - 3. For phased construction projects, the determination of BACT shall be reviewed and modified as appropriate at the latest reasonable time which occurs no later than 18 months prior to commencement of construction of each independent phase of the project. At such time the owner or operator of the applicable stationary source may be required to demonstrate the adequacy of any previous determination of BACT for the source.
 - 4. BACT shall be determined on a case-by-case basis and may constitute application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment, clean fuels, or innovative fuel combustion techniques, for control of such pollutant. In no event shall such application of BACT result in emissions of any pollutant, which would exceed the emissions allowed by any applicable new source performance standard or national emission standard for hazardous air pollutants ~~under Articles 9 and 11 of this Chapter~~ or by the applicable implementation plan. If the Director determines that technological or economic limitations on the application of measurement methodology to a particular emissions unit would make the imposition of an emissions standard infeasible, a design, equipment, work practice, operational standard, or combination thereof may be prescribed instead to satisfy the requirement for the application of BACT. Such standard shall, to the degree possible, set forth the emissions reduction achievable by implementation of such design, equipment, work practice, or operation and shall provide for compliance by means which achieve equivalent results.



5. The person applying for the permit or permit revision under this Article performs an air impact analysis and monitoring as specified in R18-2-407, and ~~such the~~ analysis demonstrates that allowable emission increases from the proposed new major source or major modification, in conjunction with all other applicable emission increases or reductions, including secondary emissions, ~~for all pollutants listed in R18-2-218(A), and including minor and mobile source emissions of nitrogen oxides and PM₁₀.~~
 - ~~a. Would would~~ not cause or contribute to concentrations of conventional air pollutants in violation of:
 - ~~a. any Any national~~ ambient air quality standard in Article 2 of this Chapter in any air quality control region; or
 - ~~b. any Any~~ applicable maximum allowable increase allowed under R18-2-218 over the baseline concentration ~~for in~~ any attainment or unclassified area; or
 - ~~b. Would not contribute to an increase in ambient concentrations for a pollutant by an amount in excess of the significance level for such pollutant in any adjacent area in which Arizona primary or secondary ambient air quality standards for that pollutant are being violated. A new major source of volatile organic compounds or nitrogen oxides, or a major modification to a major source of volatile organic compounds or nitrogen oxides shall be presumed to contribute to violations of the Arizona ambient air quality standards for ozone if it will be located within 50 kilometers of a nonattainment area for ozone. The presumption may be rebutted for a new major source or major modification if it can be satisfactorily demonstrated to the Director that emissions of volatile organic compounds or nitrogen oxides from the new major source or major modification will not contribute to violations of the Arizona ambient air quality standards for ozone in adjacent nonattainment areas for ozone. Such a demonstration shall include a showing that topographical, meteorological, or other physical factors in the vicinity of the new major source or major modification are such that transport of volatile organic compounds emitted from the source are not expected to contribute to violations of the ozone standards in the adjacent nonattainment areas.~~
6. Air quality models:
 - a. All estimates of ambient concentrations required under this Section shall be based on the applicable air quality models, ~~data basis databases,~~ and other requirements specified in 40 CFR 51, Appendix W, "Guideline On Air Quality Models," as of ~~July 1, 2014~~ July 1, 2015 (and no future amendments or editions), which shall be referred to hereinafter as "Guideline" and is adopted by reference and is on file with the Department.
 - b. Where an air quality impact model specified in the "Guideline" is not applicable, the model may be modified or another model substituted. Such a change shall be subject to notice and opportunity for public comment under R18-2-330. Written approval of the EPA Administrator shall be obtained for any modification or substitution.
- ~~B. The requirements of this This Section and R18-2-407 shall not apply to a new major source or major modification to a source with respect to a particular pollutant if the person applying for the permit or permit revision under this Article demonstrates that, as to that pollutant, the source or modification is located in an area designated as nonattainment for the pollutant. This exemption shall not apply to an area designated nonattainment for a revoked national ambient air quality standard in 40 CFR 81.~~
- ~~C. The requirements of this This Section, R18-2-407, and R18-2-410(B), (F), and (G) shall not apply to a new major source or a major modification if such the source or modification would be a major source or major modification only if fugitive emissions, to the extent quantifiable, are considered in calculating the potential emissions of the source or modification, and the source 1980 does not belong to a section 302(j) category.~~
- ~~D. The requirements of this This Section, R18-2-407, and R18-2-410(B), (F), and (G) shall not apply to a new major source or major modification to a source when the owner or operator of such the source is a nonprofit health or educational institution.~~
- ~~E. The requirements of this This Section, R18-2-407, and R18-2-410(B), (F) and (G) shall not apply to a portable source which would otherwise be a new major source or major modification to an existing source if all of the following conditions are satisfied:~~
 - ~~1. such The portable source proposes to relocate and will operate for no more than 24 months at its new location.~~
 - ~~2. The source is under subject to a permit or permit revision issued under this Article, Section or 40 CFR 52.21.~~
 - ~~3. The source is in compliance with the conditions of that permit or permit revision under this Article.~~
 - ~~4. the emissions Emissions from the source will not impact a federal Class I area nor or an area where an applicable increment maximum increase allowed under R18-2-218 is known to be violated, and.~~
 - ~~5. reasonable Reasonable notice is given to the Director prior to the relocation identifying the proposed new location and the probable duration of operation at the new location. Such notice shall be given to the Director not less than at least 10 calendar days in advance of the proposed relocation, unless a different time duration is previously approved by the Director.~~
- ~~F. Subsection (A)(5), R18-2-407, and R18-2-410(B) shall not apply to a proposed major source or major modification with respect to a particular pollutant, if the allowable emissions of that pollutant from the source, or the net emissions increase of that pollutant from the modification, would be temporary and impact no federal Class I area and no area where a maximum increase allowed under R18-2-218 is known to be violated.~~
- ~~G. Subsection (A)(5), R18-2-407, and R18-2-410(B) as they relate to any maximum allowable increase for a Class II area shall not apply to a modification of a major stationary source that was in existence on March 1, 1978, if the net increase in allowable emissions of each regulated NSR pollutant from the modification after the application of best available control technology would be less than 50 tons per year.~~
- ~~H. Subsection (A)(5)(b) shall not apply to a stationary source or modification with respect to any maximum increase allowed for nitrogen oxides under R18-2-218 if the owner or operator of the source or modification submitted an application for a permit under the applicable permit program approved or promulgated under the Act before the provisions embodying the maximum allowable increase took effect as part of the state implementation plan and the Director subsequently determined that the application as submitted before that date was complete.~~
- ~~I. Subsection (A)(5)(b) shall not apply to a stationary source or modification with respect to any maximum increase allowed for PM₁₀ under R18-2-218 if the owner or operator of the source or modification submitted an application for a permit under the applicable permit program approved under the Act before the provisions embodying the maximum allowable increases for PM₁₀ took effect as part of the state implementation plan and the Director subsequently determined that the application as submitted before that date was complete. Instead, subsection (A)(5)(b) shall apply with respect to the maximum allowable increases for total suspended particulate as in effect on the date the application was submitted.~~



- J.** Subsection (A)(5)(a) shall not apply to a stationary source or modification with respect to the national ambient air quality standards for $PM_{2.5}$ in effect on March 18, 2013 if either of the following is true:
1. The Director determined a permit application subject to this Section was complete on or before December 14, 2012. Instead, subsection (A)(5)(a) shall apply with respect to the national ambient air quality standards for $PM_{2.5}$ in effect at the time the Director determined the permit application to be complete.
 2. The Director first published before March 18, 2013 a public notice of a proposed permit subject to this Section. Instead, subsection (A)(5)(a) shall apply with respect to the national ambient air quality standards for $PM_{2.5}$ in effect at the time of first publication of the public notice.
- K.** Subsection (A)(5)(a) of this section shall not apply to a stationary source or modification with respect to the revised national ambient air quality standards for ozone published on October 26, 2015 if:
1. The Director has determined the permit application subject to this section to be complete on or before October 1, 2015. Instead, subsection (A)(5)(a) shall apply with respect to the national ambient air quality standards for ozone in effect at the time the Director determined the permit application to be complete.
 2. The Director has first published, before December 25, 2015, a public notice of a preliminary determination or draft permit for the permit application subject to this section. Instead, subsection (A)(5)(a) shall apply with respect to the national ambient air quality standards for ozone in effect at the time the Director determined the permit application to be complete.
- L.** The owner or operator of a proposed source or modification shall submit all information necessary to perform any analysis or make a determination required under this Section. The owner or operator shall also provide information regarding:
1. The air quality impact of the source or modification, including meteorological and topographical data necessary to estimate such impact, and
 2. The air quality impacts and the nature and extent of any or all general commercial, residential, industrial, and other growth which has occurred since August 7, 1977, in the area the source or modification would affect.
- F.** Special rules applicable to Federal Land Managers:
1. Notwithstanding any other provision of this Section, a Federal Land Manager may present to the Director a demonstration that the emissions attributed to such new major source or major modification to a source would have an adverse impact on visibility or other specifically defined air quality related values of any Federal Mandatory Class I area designated in R18-2-217(B) regardless of the fact that the change in air quality resulting from emissions attributable to such new major source or major modification to a source in existence will not cause or contribute to concentrations which exceed the maximum allowable increases for the area in R18-2-218. If the Director concurs with such demonstrations, the permit or permit revision under this Article shall be denied.
 2. If the owner or operator of a proposed new major source or a source for which major modification is proposed demonstrates to the Federal Land Manager that the emissions attributable to such major source or major modification will have no significant adverse impact on the visibility or other specifically defined air quality related values of such areas and the Federal Land Manager so certifies to the Director, the Director may issue a permit or permit revision under this Article, notwithstanding the fact that the change in air quality resulting from emissions attributable to such new major source or major modification will cause or contribute to concentrations which exceed the maximum allowable increases for a Class I area. Such a permit or permit revision under this Article shall require that such new major source or major modification comply with such emission limitations as may be necessary to assure that emissions will not cause increases in ambient concentrations greater than the following maximum allowable increases over baseline concentrations for such pollutants:

Pollutant	Maximum allowable increase (micrograms per cubic meter)
$PM_{2.5}$:	
Annual arithmetic mean	4
24-hr maximum	9
PM_{10} :	
Annual arithmetic mean	17
24-hr maximum	30
Sulfur dioxide:	
Annual arithmetic mean	20
24-hr maximum	91
3-hr maximum	325
Nitrogen dioxide	
Annual arithmetic mean	25

- GM.** The issuance of a permit or permit revision under this Article in accordance with this Section shall not relieve the owner or operator of the responsibility to comply fully with applicable provisions of the SIP and any other requirements under local, state, or federal law.
- HN.** At such time that a particular source or modification becomes a major source or major modification solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the source or modification otherwise to



emit a pollutant, such as a restriction on hours of operation, then the requirements of this Section shall apply to the source or modification as though construction had not yet commenced on the source or modification.

R18-2-407. Air Quality Impact Analysis and Monitoring Requirements

- A. Any application for a permit or permit revision under ~~this Article R18-2-406~~ to construct a new major source or major modification to a major source shall contain an analysis of ambient air quality in the area that the new major source or major modification would affect for each of the following pollutants:
 1. For the new source, each pollutant that it would have the potential to emit in a significant amount;
 2. For the modification, each pollutant for which it would result in a significant net emissions increase.
- B. With respect to any such pollutant for which no ~~Arizona national~~ ambient air quality standard exists, the analysis shall contain all air quality monitoring data as the Director determines is necessary to assess ambient air quality for that pollutant in any area that the emissions of the pollutant would affect.
- C. With respect to any such pollutant (other than nonmethane hydrocarbons) for which such a standard does exist, the analysis shall contain continuous air quality monitoring data gathered for purposes of determining whether emissions of that pollutant would cause or contribute to a violation of the standard or any maximum allowable increase.
- D. In general, the continuous air quality monitoring data that is required shall have been gathered over a period of at least one year and shall represent at least the year preceding receipt of the application, except that, if the Director determines that a complete and adequate analysis can be accomplished with monitoring data gathered over a period shorter than one year (but not to be less than four months), the data that is required shall have been gathered over at least that shorter period.
- E. The owner or operator of a proposed stationary source or modification to a source of volatile organic compounds who satisfies all conditions of 40 CFR 51, Appendix S, Section IV, may provide post-approval monitoring data for ozone in lieu of providing preconstruction data as required under subsections (B), (C), and (D) above.
- F. Post-construction monitoring. The owner or operator of a new major source or major modification shall, after construction of the source or modification, conduct such ambient monitoring as the Director determines is necessary to determine the effect emissions from the new source or modification may have, or are having, on air quality in any area.
- G. Operations of monitoring stations. The owner or operator of a new major source or major modification shall meet the requirements of 40 CFR 58, Appendix B, during the operation of monitoring stations for purposes of satisfying subsections (B) through (F) above.
- H. The requirements of subsections (B) through (G) above shall not apply to a new major source or major modification to an existing source with respect to monitoring for a particular pollutant if:
 1. The emissions increase of the pollutant from the new source or the net emissions increase of the pollutant from the modification would cause, in any area, air quality impacts less than the following amounts:
 - a. Carbon Monoxide - 575 $\mu\text{g}/\text{m}^3$, eight-hour average;
 - b. Nitrogen dioxide - 14 $\mu\text{g}/\text{m}^3$, annual average;
 - c. $\text{PM}_{2.5}$ - ~~04~~ $\mu\text{g}/\text{m}^3$, 24-hour average;
 - d. PM_{10} - 10 $\mu\text{g}/\text{m}^3$, 24-hour average;
 - e. Sulfur dioxide - 13 $\mu\text{g}/\text{m}^3$, 24-hour average;
 - f. Lead - 0.1 $\mu\text{g}/\text{m}^3$, ~~24-hour average~~ 3-month average;
 - g. Fluorides - 0.25 $\mu\text{g}/\text{m}^3$, 24-hour average;
 - h. Total reduced sulfur - 10 $\mu\text{g}/\text{m}^3$, one-hour average;
 - i. Hydrogen sulfide - 0.04 $\mu\text{g}/\text{m}^3$, one-hour average;
 - j. Reduced sulfur compounds - 10 $\mu\text{g}/\text{m}^3$, one-hour average;
 - k. Ozone - ~~increased emissions~~ net emissions increases of less than 100 tons per year of volatile organic compounds or oxides of nitrogen; ~~or~~
 2. The concentrations of the pollutant in the area that the new source or modification would affect are less than the concentrations listed in subsection (H)(1) ~~above, or~~
 3. The pollutant is not listed in subsection (H)(1).
- ~~I. Any application for permit or permit revision under this Article to construct a new major source or major modification to a source shall contain:~~
 - ~~1. An analysis of the impairment to visibility, soils, and vegetation that would occur as a result of the new source or modification and general commercial, residential, industrial, and other growth associated with the new source or modification. The applicant need not provide an analysis of the impact on vegetation having no significant commercial or recreational value.~~
 - ~~2. An analysis of the air quality impact projected for the area as a result of general commercial, residential, industrial, and other growth associated with the new source or modification.~~

R18-2-408. Innovative Control Technology

- A. Notwithstanding the provisions of R18-2-406(A)(1) through (3), the owner or operator of a proposed new major source or major modification may request that the Director approve a system of innovative control technology rather than the best available control technology requirements otherwise applicable to the new source or modification.
- B. The Director shall approve the installation of a system of innovative control technology if the following conditions are met:
 1. The owner or operator of the proposed source or modification satisfactorily demonstrates that the proposed control system would not cause or contribute to an unreasonable risk to public health, welfare, or safety in its operation or function;
 2. The owner or operator agrees to achieve a level of continuous emissions reduction equivalent to that which would have been required under ~~R18-2-406(A)(2)~~ R18-2-406(A)(1) or (2) by a date specified in the permit or permit revision under this Article for the source. Such date shall not be later than four years from the time of start-up or seven years from the issuance of a permit or permit revision under this Article;



3. The source or modification would meet requirements equivalent to those in R18-2-406(A) based on the emissions rate that the stationary source employing the system of innovative control technology would be required to meet on the date specified in the permit or permit revision under this Article.
 4. Before the date specified in the permit or permit revision under this Article, the source or modification would not:
 - a. Cause or contribute to any violation of an applicable ~~state~~ national ambient air quality standard; or
 - b. Impact any area where an applicable ~~increment~~ maximum increase allowed under R18-2-208 is known to be violated.
 5. All other applicable requirements including those for public participation have been met.
 6. The Director receives the consent of the governors of other affected states.
 7. The ~~limits on pollutants contained in R18-2-218~~ requirements of R18-2-410 for federal Class I areas will be met for all periods during the life of the source or modification.
- C. The Director shall withdraw any approval to employ a system of innovative control technology made under this Section if:
1. The proposed system fails by the specified date to achieve the required continuous emissions reduction rate; or
 2. The proposed system fails before the specified date so as to contribute to an unreasonable risk to public health, welfare, or safety; or
 3. The Director decides at any time that the proposed system is unlikely to achieve the required level of control or to protect the public health, welfare, or safety.
- D. If the new source or major modification fails to meet the required level of continuous emissions reduction within the specified time period, or if the approval is withdrawn in accordance with subsection (C) above, the Director may allow the owner or operator of the source or modification up to an additional three years to meet the requirement for the application of best available control technology through use of a demonstrated system of control.

R18-2-410. Visibility and Air Quality Related Value Protection

- ~~A.~~ For any new major source or major modification subject to the provisions of this Chapter, no permit or permit revision under this Article shall be issued to a person proposing to construct or modify the source unless the applicant has provided:
1. An analysis of the anticipated impacts of the proposed source on visibility in any Class I areas which may be affected by the emissions from that source; and
 2. Results of monitoring of visibility in any area near the proposed source for such purposes and by such means as the Director determines is necessary and appropriate.
- ~~B.~~ A determination of an adverse impact on visibility shall be made based on consideration of all of the following factors:
1. The times of visitor use of the area;
 2. The frequency and timing of natural conditions in the area that reduce visibility;
 3. All of the following visibility impairment characteristics:
 - a. Geographic extent;
 - b. Intensity;
 - c. Duration;
 - d. Frequency;
 - e. Time of day;
 4. The correlation between the characteristics listed in subsection (B)(3) and the factors described in subsections (B)(1) and (2).
- ~~C.~~ The Director shall not issue a permit or permit revision pursuant to this Article or Article 3 of this Chapter for any new major source or major modification subject to this Chapter unless the following requirements have been met:
1. The Director shall notify the individuals identified in subsection (C)(2) within 30 days of receipt of any advance notification of any such permit or permit revision under this Article.
 2. Within 30 days of receipt of an application for a permit or permit revision under this Article for a source whose emissions may affect a Class I area, the Director shall provide written notification of the application to the Federal Land Manager and the federal official charged with direct responsibility for management of any lands within any such area. The notice shall:
 - a. Include a copy of all information relevant to the permit or permit revision under this Article;
 - b. Include an analysis of the anticipated impacts of the proposed source on visibility in any area which may be affected by emissions from the source; and
 - c. Provide for no less than a 30-day period within which written comments may be submitted.
 3. The Director shall consider any analysis provided by the Federal Land Manager that is received within the comment period provided in subsection (C)(2):
 - a. Where the Director finds that the analysis provided by the Federal Land Manager does not demonstrate to the satisfaction of the Director that an adverse impact on visibility will result in the area, the Director shall, within the public notice required under R18-2-330, either explain the decision or specify where the explanation can be obtained.
 - b. When the Director finds that the analysis provided by the Federal Land Manager demonstrates to the satisfaction of the Director that an adverse impact on visibility will result in the area, the Director shall not issue a permit or permit revision under this Article for the proposed major new source or major modification.
 4. When the proposed permit decision is made, pursuant to R18-2-304(J), and available for public review, the Director shall provide the individuals identified in subsection (C)(2) with a copy of the proposed permit decision and shall make available to them any materials used in making that determination.
- A. Applicability.**
1. All of the requirements of this Section apply to a new major source or major modification that would be constructed in an area that is designated attainment or unclassifiable.
 2. Subsections (B) to (D) apply to the following:
 - a. A new major source or major modification that may have an impact on any integral vista of a mandatory federal Class I area, if it is identified in accordance with 40 CFR 51.304 by the Federal Land Manager at least twelve months before submission of a complete permit application for the source or modification, except where the Federal Land Manager has pro-



vided notice and opportunity for public comment on the integral vista, in which case the review must include impacts on any integral vista identified at least six months before submission of a complete permit application. This subsection shall not apply if the Director determines under 40 CFR 51.304(d) that the identification was not in accordance with the identification criteria.

- b. A new major source or major modification that proposes to locate in an area designated as nonattainment and that may have an impact on visibility in any mandatory federal Class I area.

B. Application Requirements. Any application for a permit or permit revision to construct a major source or major modification subject to this section shall contain:

1. An analysis of the impairment to visibility, soils, and vegetation that would occur as a result of the new source or modification and general commercial, residential, industrial, and other growth associated with the new source or modification. The applicant need not provide an analysis of the impact on vegetation having no significant commercial or recreational value.
2. An analysis of the air quality impact projected for the area as a result of general commercial, residential, industrial, and other growth associated with the new source or modification.

C. Notification Requirements.

1. The Director shall provide written notice of the application for a permit or permit revision subject to this section to the Administrator, the Federal Land Manager and the federal official charged with direct responsibility for management of any lands within any Class I area that may be affected by the source or modification. The notice shall be provided within 30 days of receipt of the application and at least 60 days before any public hearing on the application. The notice shall:
 - a. Include a copy of the application and all information relevant to the permit or permit revision under this Article;
 - b. Include an analysis of the anticipated impacts of the proposed source on visibility in any federal Class I area; and
 - c. Provide for no less than a 30-day period within which written comments may be submitted.
2. The Director shall notify the individuals identified in subsection (C)(1) within 30 days of receipt of any advance notification of any such permit or permit revision.
3. The Director shall notify the individuals identified in subsection (C)(1) of the preliminary determination for the application under R18-2-402(I)(2)(c) and shall make available any materials used in making that determination.
4. The Director shall provide notice to the administrator of every action related to the consideration of such permit or permit revision.

D. Consideration of Federal Land Manager Analysis.

1. The Federal Land Manager and the federal official charged with direct responsibility for management of federal Class I areas have an affirmative responsibility to protect the air quality related values, including visibility, of any such areas and to consider, in consultation with the Administrator, whether a proposed source or modification would have an adverse impact on such values.
2. The Director shall consider any analysis performed by the Federal Land Manager and provided within 30 days of the notification required by subsection (C)(1) that shows that a proposed new major stationary source or major modification may have an adverse impact on visibility in a federal Class I area or integral vista.
3. In considering the analysis, the Director shall ensure that the source's emissions will be consistent with making reasonable progress toward the national visibility goal referred to in 40 CFR 51.300(a), taking into account the costs of compliance, the time necessary for compliance, the energy and nonair quality environmental impacts of compliance, and the useful life of the source.
4. If the Director concurs with the analysis, the Director shall deny the permit or permit revision.
5. If the Director finds that the analysis does not demonstrate to the satisfaction of the Director that an adverse impact on visibility will result in the federal Class I area or integral vista, the Director shall, in the notice required by R18-2-402(I)(2)(c), either explain that decision or give notice as to where the explanation can be obtained.

E. Federal Land Manager Analysis Showing Adverse Impact Despite Compliance with Maximum Allowable Increases for Class I Area.

1. Within 30 days after the notification required by subsection (C)(3), the Federal Land Manager may present to the Director a demonstration that the emissions attributed to a new major source or major modification would have an adverse impact on visibility or other specifically defined air quality related values of any mandatory federal Class I area, even though the change in air quality resulting from emissions attributable to the source or modification will not cause or contribute to concentrations that exceed the maximum increases allowed for the area in R18-2-218.
2. If the Director concurs with the demonstration, the Director shall not issue a permit or permit revision for the major source or major modification.

F. Class I Variance with Federal Land Manager Concurrence.

1. The owner or operator of a proposed source or modification may demonstrate to the Federal Land Manager that emissions from the source will have no adverse impact on the air quality related values (including visibility) of federal Class I areas, even though the change in air quality resulting from emissions from the source or modification are projected to cause or contribute to concentrations that exceed the maximum increases allowed for a Class I area under R18-2-218.
2. If the Federal land manager concurs with the demonstration and so certifies to the Director, the Director may issue the permit, provided that:
 - a. Applicable requirements are otherwise met; and
 - b. The permit contains emission limits necessary to assure that emissions of sulfur dioxide, PM_{2.5}, PM₁₀, and nitrogen oxides will not cause increases in ambient concentrations of those pollutants exceeding the following maximum allowable increases over minor source baseline concentrations:

<u>Pollutant</u>	<u>Maximum allowable increase (micrograms per cubic meter)</u>
<u>PM_{2.5}</u>	



Annual arithmetic mean	4
24-hr maximum	9
PM ₁₀ :	
Annual arithmetic mean	17
24-hr maximum	30
Sulfur dioxide:	
Annual arithmetic mean	20
24-hr maximum	91
3-hr maximum	325
Nitrogen dioxide	
Annual arithmetic mean	25

G. Class I Sulfur Dioxide Variance by Governor with Concurrence by Federal Land Manager or President.

1. The owner or operator of a proposed source or modification that cannot be approved under subsection (F) may demonstrate to the Governor that the source cannot be constructed by reason of any maximum allowable increase for sulfur dioxide for a period of twenty-four hours or less applicable to any Class I area and, in the case of mandatory federal Class I areas, that a variance under this clause would not adversely affect the air quality related values of the area (including visibility). The Governor, after consideration of the Federal Land Manager's recommendation (if any) and subject to his concurrence, may, after notice and public hearing, grant a variance from the maximum allowable increase. If the variance is granted, the Director shall issue a permit or permit to the source or modification pursuant to the requirements of subsection (G)(3), provided that the applicable requirements of R18-2-406 are otherwise met.
2. In any case where the Governor recommends a variance in which the Federal Land Manager does not concur, the recommendations of the Governor and the Federal Land Manager shall be transmitted to the President. The President may approve the Governor's recommendation if the President finds that the variance is in the national interest. If the variance is approved, the Director shall issue a permit pursuant to subsection (G)(3), provided that the applicable requirements of R18-2-406 are otherwise met.
3. In the case of a permit issued pursuant to subsection (G)(1) or (G)(2) the source or modification shall comply with emission limitations necessary to assure that emissions of sulfur dioxide from the source or modification will not (during any day on which the otherwise applicable maximum allowable increases are exceeded) cause or contribute to concentrations that would exceed the following maximum allowable increases over the baseline concentration and to assure that the emissions will not cause or contribute to concentrations that exceed the otherwise applicable maximum allowable increases for periods of exposure of 24 hours or less for more than 18 days, not necessarily consecutive, during any annual period:

Maximum Allowable Increase [Micrograms per cubic meter]		
Period of exposure	Terrain areas	
	Low	High
24-hr maximum	36	62
3-hr maximum	130	221

H. Visibility Monitoring. The Director may require monitoring of visibility in any federal Class I area near a proposed major source or major modification for such purposes and by such means as the Director deems necessary and appropriate.

R18-2-411. Permit Requirements for Sources that Locate in Attainment or Unclassifiable Areas and Cause or Contribute to a Violation of Any National Ambient Air Quality Standard.

- Except as provided in subsection (C) or (D), the Director shall deny a permit or permit revision to any major source or major modification that would locate in any attainment or unclassified area, if the source or modification would cause or contribute to a violation of any national ambient air quality standard.
- A major source or major modification will be considered to cause or contribute to a violation of a national ambient air quality standard when the source or modification would, at a minimum, cause an increase in the concentrations of a regulated NSR pollutant that exceeds the significance level at any locality that does not, or as a result of the increase would not, meet the standard.
- A proposed major source or major modification subject to subsection (A) may reduce the impact of its emissions upon air quality by obtaining sufficient emission reductions to, at a minimum, compensate for its adverse ambient impact where the major source or major modification would otherwise cause or contribute to a violation of any national ambient air quality standard.



- D.** Subsection (A) shall not apply to a major stationary source or major modification with respect to a particular pollutant if the owner or operator demonstrates that, as to that pollutant, the source or modification is located in an area designated as nonattainment pursuant to section 107 of the Act.

R18-2-412. PALs

- A.** Applicability.
1. The Director may approve the use of a PAL for any existing major source if the PAL meets the requirements of this Section.
 2. Any physical change in or change in the method of operation of a major stationary source that maintains its total source-wide emissions below the PAL level, meets the requirements of this Section, and complies with the PAL permit:
 - a. Is not a major modification for the PAL pollutant,
 - b. Does not have to be approved ~~through the PSD program under R18-2-403 or R18-2-406~~, and
 - c. Is not subject to the provisions in R18-2-403(C) or ~~R18-2-406(H)~~ R18-2-406(M).
 3. Except as provided under subsection (A)(2)(c), a major stationary source shall continue to comply with all applicable federal or state requirements, emission limitations, and work practice requirements that were established prior to the effective date of the PAL.
- B.** Permit application requirements. As part of a permit application requesting a PAL, the owner or operator of a major source shall submit the following information to the Director for approval:
1. A list of all emissions units at the source designated as small, significant or major based on their potential to emit. In addition, the owner or operator of the source shall indicate which, if any, federal or state applicable requirements, emission limitations, or work practices apply to each unit.
 2. Calculations of the baseline actual emissions (with supporting documentation). Baseline actual emissions shall include emissions associated not only with operation of the unit, but also emissions associated with the startup, shutdown and malfunction.
 3. The calculation procedures that the major source owner or operator proposes to use to convert the monitoring system data to monthly emissions and annual emissions based on a 12-month rolling total for each month as required by subsection (L)(1).
- C.** General requirements for establishing PALs.
1. The Director is allowed to establish a PAL at a major source, provided that at a minimum, the following requirements are met:
 - a. The PAL shall impose an annual emission limitation in tons per year, that is enforceable as a practical matter, for the entire major source. For each month during the PAL effective period after the first 12 months of establishing a PAL, the major source owner or operator shall show that the sum of the monthly emissions from each emissions unit under the PAL for the previous 12 consecutive months is less than the PAL (a 12-month sum, rolled monthly). For each month during the first 11 months from the PAL effective date, the major source owner or operator shall show that the sum of the preceding monthly emissions from the PAL effective date for each emissions unit under the PAL is less than the PAL.
 - b. The PAL shall be established in a PAL permit that meets the requirements in subsection (D).
 - c. The PAL permit shall contain all the requirements of subsection (F).
 - d. The PAL shall include fugitive emissions, to the extent quantifiable, from all emissions units that emit or have the potential to emit the PAL pollutant at the major source.
 - e. Each PAL shall regulate emissions of only one pollutant.
 - f. Each PAL shall have a PAL effective period of 10 years.
 - g. The owner or operator of the major source with a PAL shall comply with the monitoring, recordkeeping, and reporting requirements provided in subsections (K) through (M) for each emissions unit under the PAL through the PAL effective period.
 2. At no time (during or after the PAL effective period) are emissions reductions of a PAL pollutant that occur during the PAL effective period creditable as decreases for purposes of offsets under R18-2-404 unless the level of the PAL is reduced by the amount of such emissions reductions and such reductions would be creditable in the absence of the PAL.
- D.** Action on PAL permit application. A PAL permit application shall be processed in accordance with one of the following:
1. As an initial Class I permit pursuant to R18-2-304.
 2. As a renewal of a Class I permit pursuant to R18-2-322.
 3. As a significant revision to a Class I permit pursuant to R18-2-320.
- E.** Setting the 10-year actuals PAL level.
1. Except as provided in subsection (E)(2), the PAL level for a major source shall be established as the sum of the baseline actual emissions of the PAL pollutant for each emissions unit at the source; plus an amount equal to the applicable significant level for the PAL pollutant. When establishing the PAL level, only one consecutive 24-month period must be used to determine the baseline actual emissions for all existing emissions units. However, a different consecutive 24-month period may be used for each different PAL pollutant. Emissions associated with units that were permanently shut down after this 24-month period must be subtracted from the PAL level. The Director shall specify a reduced PAL level(s) (in tons/yr) in the PAL permit to become effective on the future compliance date(s) of any applicable federal or state regulatory requirement(s) that the Director is aware of prior to issuance of the PAL permit. For instance, if the source owner or operator will be required to reduce emissions from industrial boilers in half from baseline emissions of 60 ppm NO_x to a new rule limit of 30 ppm, then the permit shall contain a future effective PAL level that is equal to the current PAL level reduced by half of the original baseline emissions of such unit(s).
 2. For newly constructed units (which do not include modifications to existing units) on which actual construction began after the 24-month period, in lieu of adding the baseline actual emissions as specified in subsection (E)(1), the emissions must be added to the PAL level in an amount equal to the potential to emit of the units.
- F.** Contents of the PAL permit. The PAL permit must contain, at a minimum, the following information:
1. The PAL pollutant and the applicable source-wide emission limitation in tons per year.
 2. The PAL permit effective date and the expiration date of the PAL (PAL effective period).



3. Specification in the PAL permit that if a major source owner or operator applies to renew a PAL in accordance with subsection (I) before the end of the PAL effective period, then the PAL shall not expire at the end of the PAL effective period. It shall remain in effect until a revised PAL permit is issued by the Director.
 4. A requirement that emission calculations for compliance purposes must include emissions from startups, shutdowns, and malfunctions.
 5. A requirement that, once the PAL expires, the major source is subject to the requirements of subsection (H).
 6. The calculation procedures that the major source owner or operator shall use to convert the monitoring system data to monthly emissions and annual emissions based on a 12-month rolling total as required by subsection (L)(1).
 7. A requirement that the major source owner or operator monitor all emissions units in accordance with the provisions under subsection (K).
 8. A requirement to retain the records required under subsection (L) onsite. Such records may be retained in an electronic format.
 9. A requirement to submit the reports required under subsection (M) by the required deadlines.
 10. Any other requirements that the Director deems necessary to implement and enforce the PAL.
- G. PAL effective period and reopening of the PAL permit.**
1. PAL effective period. The Director shall specify a PAL effective period of 10 years.
 2. Reopening of the PAL permit.
 - a. During the PAL effective period, the Director must reopen the PAL permit to:
 - i. Correct typographical/calculation errors made in setting the PAL or reflect a more accurate determination of emissions used to establish the PAL,
 - ii. Reduce the PAL if the owner or operator of the major source creates creditable emissions reductions for use as offsets under R18-2-404, and
 - iii. Revise the PAL to reflect an increase in the PAL as provided under subsection (J).
 - b. The Director shall have discretion to reopen the PAL permit for the following:
 - i. Reduce the PAL to reflect new federal applicable requirements with compliance dates after the PAL effective date;
 - ii. Reduce the PAL consistent with any other requirement, that is enforceable as a practical matter, and that the state may impose on the major source under the State Implementation Plan; and
 - iii. Reduce the PAL if the Director determines that a reduction is necessary to avoid causing or contributing to a NAAQS or PSD increment violation of a national ambient air quality standard or a maximum increase allowed under R18-2-208, or to an adverse impact on an air quality related value that has been identified for a ~~Federal~~ federal Class I area by a Federal Land Manager and for which information is available to the general public.
 - c. Except for the permit reopening in subsection (G)(2)(a)(i) for the correction of typographical/calculation errors that do not increase the PAL level, all other reopenings shall be carried out in accordance with the public participation requirements of subsection (D).
- H. Expiration of a PAL.** Any PAL that is not renewed in accordance with the procedures in subsection (I) shall expire at the end of the PAL effective period, and the following requirements shall apply.
1. Each emissions unit (or each group of emissions units) that existed under the PAL shall comply with an allowable emission limitation under a revised permit established according to the following procedures.
 - a. Within the time-frame specified for PAL renewals in subsection (I)(2), the major source shall submit a proposed allowable emission limitation for each emissions unit (or each group of emissions units, if such a distribution is more appropriate) by distributing the PAL allowable emissions for the major source among each of the emissions units that existed under the PAL. If the PAL had not yet been adjusted for an applicable requirement that became effective during the PAL effective period, as would be required under subsection (I)(5), such distribution shall be made as if the PAL had been adjusted.
 - b. The Director shall decide how the PAL allowable emissions will be distributed and issue a revised permit incorporating allowable limits for each emissions unit, or each group of emissions units, as the Director determines is appropriate.
 2. Each emissions unit(s) shall comply with the allowable emission limitation on a 12-month rolling basis. The Director may approve the use of monitoring systems (source testing, emission factors, etc.) other than CEMS, CERMS, PEMS, or CPMS to demonstrate compliance with the allowable emission limitation.
 3. Until the Director issues the revised permit incorporating allowable limits for each emissions unit, or each group of emissions units, as required under subsection (H)(1)(b), the source shall continue to comply with a source-wide, multi-unit emissions cap equivalent to the level of the PAL emission limitation.
 4. Any physical change or change in the method of operation at the major source will be subject to ~~the applicability criteria set forth at subsection (C)~~ the nonattainment major NSR requirements if such change meets the definition of major modification.
 5. The major source owner or operator shall continue to comply with any applicable requirements that may have applied either during the PAL effective period or before the PAL effective period except for those emission limitations that had been established pursuant to R18-2-403(C) or R18-2-406(H), but were eliminated by the PAL in accordance with subsection (A)(2)(c). Emission limitations that were eliminated by the PAL in accordance with subsection (A)(2)(c) shall not be reinstated.
- I. Renewal of a PAL.**
1. The Director shall follow the procedures specified in subsection ~~(F)~~ (D) in approving any request to renew a PAL for a major source, and shall provide both the proposed PAL level and a written rationale for the proposed PAL level to the public for review and comment. During such public review, any person may propose a PAL level for the source for consideration by the Director.
 2. Application deadline. A major source owner or operator shall submit a timely application to the Director to request renewal of a PAL. A timely application is one that is submitted at least six months prior to, but not earlier than 18 months from, the date of permit expiration. This deadline for application submittal is to ensure that the permit will not expire before the permit is renewed. If the owner or operator of a major source submits a complete application to renew the PAL within this time period, then the PAL shall continue to be effective until the revised permit with the renewed PAL is issued.
 3. Application requirements. The application to renew a PAL permit shall contain the following information.



- a. The information required in subsections (B)(1) through (3).
 - b. A proposed PAL level.
 - c. The sum of the potential to emit of all emissions units under the PAL (with supporting documentation).
 - d. Any other information the owner or operator wishes the Director to consider in determining the appropriate level for renewing the PAL.
 4. PAL adjustment. In determining whether and how to adjust the PAL, the Director shall consider the options outlined in subsections (I)(4)(a) and (b). However, in no case may any such adjustment fail to comply with subsection (I)(4)(c).
 - a. If the emissions level calculated in accordance with subsection ~~(F)(E)~~ is equal to or greater than 80% of the PAL level, the Director may renew the PAL at the same level without considering the factors set forth in subsection (I)(4)(b); or
 - b. The Director may set the PAL at a level that the Director determines to be more representative of the source's baseline actual emissions, or that the Director determines to be more appropriate considering air quality needs, advances in control technology, anticipated economic growth in the area, desire to reward or encourage the source's voluntary emissions reductions, or other factors as specifically identified by the Director in the Director's written rationale.
 - c. Notwithstanding subsections (I)(4)(a) and (b):
 - i. If the potential to emit of the major source is less than the PAL, the Director shall adjust the PAL to a level no greater than the potential to emit of the source; and
 - ii. The Director shall not approve a renewed PAL level higher than the current PAL, unless the PAL has been increased in accordance with subsection (J).
 5. If the compliance date for an applicable requirement that applies to the PAL source occurs during the PAL effective period, and if the Director has not already adjusted for such requirement, the PAL shall be adjusted at the time of PAL permit renewal or renewal of the source's Class I permit, whichever occurs first.
- J. Increasing a PAL during the PAL effective period.**
1. The Director may increase a PAL emission limitation only if the following requirements are met:
 - a. The owner or operator of the major source shall submit a complete application to request an increase in the PAL limit for a PAL major modification. Such application shall identify the emissions unit(s) contributing to the increase in emissions so as to cause the major source's emissions to equal or exceed its PAL.
 - b. As part of this application, the major source owner or operator shall demonstrate that the sum of the baseline actual emissions of the small emissions units, plus the sum of the baseline actual emissions of the significant and major emissions units assuming application of BACT or LAER equivalent controls, plus the sum of the PAL allowable emissions of the new or modified emissions unit(s) exceeds the PAL. The level of control that would result from BACT or LAER equivalent controls on each significant or major emissions unit shall be determined by conducting a new BACT or LAER analysis at the time the application is submitted, as applicable for the particular PAL pollutant, unless the emissions unit is currently required to comply with a BACT or LAER requirement that was established within the preceding 10 years. In such a case, the assumed control level for that emissions unit shall be equal to the level of BACT or LAER with which that emissions unit must currently comply.
 - c. The owner or operator obtains a major NSR permit for all emissions unit(s) identified in subsection (J)(1)(a), regardless of the magnitude of the emissions increase resulting from them (that is, no significant levels apply). These emissions unit(s) shall comply with any emissions requirements resulting from the major NSR process (for example, BACT), even though they have also become subject to the PAL or continue to be subject to the PAL.
 - d. The PAL permit shall require that the increased PAL level shall be effective on the day any emissions unit that is part of the PAL major modification becomes operational and begins to emit the PAL pollutant.
 2. The Director shall calculate the new PAL level as the sum of the PAL allowable emissions for each modified or new emissions unit, plus the sum of the baseline actual emissions of the significant and major emissions units (assuming application of BACT or LAER equivalent controls as determined in accordance with subsection (J)(1)(b), plus the sum of the baseline actual emissions of the small emissions units.
 3. The PAL permit shall be revised to reflect the increased PAL level pursuant to the public notice requirements of subsection (D).
- K. Monitoring requirements for PALs.**
1. General requirements.
 - a. Each PAL permit must contain enforceable requirements for the monitoring system that accurately determines plantwide emissions of the PAL pollutant in terms of mass per unit of time. Any monitoring system authorized for use in the PAL permit must be based on sound science and meet generally acceptable scientific procedures for data quality and manipulation. Additionally, the information generated by such system must meet minimum legal requirements for admissibility in a judicial proceeding to enforce the PAL permit.
 - b. The PAL monitoring system must employ one or more of the four general monitoring approaches meeting the minimum requirements set forth in subsections (K)(2)(a) through (d) and must be approved by the Director.
 - c. Notwithstanding subsection (K)(1)(b), the owner or operator may also employ an alternative monitoring approach if approved by the Director as meeting the requirements of subsection (K)(1)(a).
 - d. Failure to use a monitoring system that meets the requirements of this Section renders the PAL invalid.
 2. Minimum performance requirements for approved monitoring approaches. The following are acceptable general monitoring approaches when conducted in accordance with the minimum requirements in subsections (K)(3) through (9):
 - a. Mass balance calculations for activities using coatings or solvents,
 - b. CEMS,
 - c. CPMS or PEMS, and
 - d. Emission factors.
 3. Mass balance calculations. An owner or operator using mass balance calculations to monitor PAL pollutant emissions from activities using coating or solvents shall meet the following requirements:



- a. Provide a demonstrated means of validating the published content of the PAL pollutant that is contained in or created by all materials used in or at the emissions unit;
 - b. Assume that the emissions unit emits all of the PAL pollutant that is contained in or created by any raw material or fuel used in or at the emissions unit, if it cannot otherwise be accounted for in the process; and
 - c. Where the vendor of a material or fuel, which is used in or at the emissions unit, publishes a range of pollutant content from such material, the owner or operator must use the highest value of the range to calculate the PAL pollutant emissions unless the Director determines there is site-specific data or a site-specific monitoring program to support another content within the range.
4. CEMS. An owner or operator using CEMS to monitor PAL pollutant emissions shall meet the following requirements:
 - a. CEMS must comply with applicable Performance Specifications found in 40 CFR 60, Appendix B; and
 - b. CEMS must sample, analyze and record data at least every 15 minutes while the emissions unit is operating.
 5. CPMS or PEMS. An owner or operator using CPMS or PEMS to monitor PAL pollutant emissions shall meet the following requirements:
 - a. The CPMS or the PEMS must be based on current site-specific data demonstrating a correlation between the monitored parameter(s) and the PAL pollutant emissions across the range of operation of the emissions unit; and
 - b. Each CPMS or PEMS must sample, analyze, and record data at least every 15 minutes, or at another less frequent interval approved by the Director, while the emissions unit is operating.
 6. Emission factors. An owner or operator using emission factors to monitor PAL pollutant emissions shall meet the following requirements:
 - a. All emission factors shall be adjusted, if appropriate, to account for the degree of uncertainty or limitations in the factors' development;
 - b. The emissions unit shall operate within the designated range of use for the emission factor, if applicable; and
 - c. If technically practicable, the owner or operator of a significant emissions unit that relies on an emission factor to calculate PAL pollutant emissions shall conduct validation testing to determine a site-specific emission factor within six months of PAL permit issuance, unless the Director determines that testing is not required.
 7. A source owner or operator must record and report maximum potential emissions without considering enforceable emission limitations or operational restrictions for an emissions unit during any period of time that there is no monitoring data, unless another method for determining emissions during such periods is specified in the PAL permit.
 8. Notwithstanding the requirements in subsections (K)(3) through (7), where an owner or operator of an emissions unit cannot demonstrate a correlation between the monitored parameter(s) and the PAL pollutant emissions rate at all operating points of the emissions unit, the Director shall, at the time of permit issuance:
 - a. Establish default value(s) for determining compliance with the PAL based on the highest potential emissions reasonably estimated at such operating point(s), or
 - b. Determine that operation of the emissions unit during operating conditions when there is no correlation between monitored parameter(s) and the PAL pollutant emissions is a violation of the PAL.
 9. Re-validation. All data used to establish the PAL pollutant must be re-validated through performance testing or other scientifically valid means approved by the Director. Such testing must occur at least once every five years after issuance of the PAL.
- L. Recordkeeping requirements.**
1. The PAL permit shall require an owner or operator to retain a copy of all records necessary to determine compliance with any requirement of this Section and with the PAL, including a determination of each emissions unit's 12-month rolling total emissions, for five years from the date of such record.
 2. The PAL permit shall require an owner or operator to retain a copy of the following records for the duration of the PAL effective period plus five years:
 - a. A copy of the PAL permit application and any applications for revisions to the PAL, and
 - b. Each annual certification of compliance pursuant to R18-2-309(2) and the data relied on in certifying compliance.
- M. Reporting and notification requirements.** The owner or operator shall submit semi-annual monitoring reports and prompt deviation reports to the Director in accordance with R18-2-306(A)(5). The reports shall meet the following requirements:
1. Semi-annual report. The semi-annual report shall be submitted to the Director within 30 days of the end of each reporting period. This report shall contain the following information:
 - a. The identification of owner and operator and the permit number.
 - b. Total annual emissions (tons/year) based on a 12-month rolling total for each month in the reporting period recorded pursuant to subsection (L)(1).
 - c. All data relied upon, including, but not limited to, any Quality Assurance or Quality Control data, in calculating the monthly and annual PAL pollutant emissions.
 - d. A list of any emissions units modified or added to the major source during the preceding six-month period.
 - e. The number, duration, and cause of any deviations or monitoring malfunctions (other than the time associated with zero and span calibration checks), and any corrective action taken.
 - f. A notification of a shutdown of any monitoring system, whether the shutdown was permanent or temporary, the reason for the shutdown, the anticipated date that the monitoring system will be fully operational or replaced with another monitoring system, and whether the emissions unit monitored by the monitoring system continued to operate, and the calculation of the emissions of the pollutant or the number determined by method included in the permit, as provided by subsection (K)(7).
 - g. A certification by the responsible official consistent with ~~R18-2-304(H)~~ R18-2-304(I).
 2. Deviation report. The major source owner or operator shall promptly submit reports of any deviations or exceedance of the PAL permit requirements, including periods where no monitoring is available, in accordance with R18-2-306(A)(5). The reports shall contain the following information:
 - a. The identification of owner and operator and the permit number,



- b. The PAL permit requirement that experienced the deviation or that was exceeded,
 - c. Emissions resulting from the deviation or the exceedance, and
 - d. A certification by the responsible official consistent with ~~R18-2-304(H)~~ R18-2-304(I).
3. Re-validation results. The owner or operator shall submit to the Director the results of any re-validation test or method within three months after completion of such test or method.

ARTICLE 5. GENERAL PERMITS

R18-2-502. General Permit Development

- A. The Director may issue a general permit on the Director's own initiative or in response to a petition.
- B. Any person may submit a petition to the Director requesting the issuance of a general permit for a defined class of facilities. The petition shall propose a particular class of facilities, and list the approximate number of facilities in the proposed class along with their size, processes, and operating conditions, and demonstrate how the class meets the criteria for a general permit as specified in R18-2-501 and A.R.S. § 49-426(H). The Director shall provide a written response to the petition within 120 days of receipt.
- C. General permits shall be issued for classes of facilities using the same engineering principles that applies to permits for individual sources and following the public notice requirements of R18-2-504.
- D. General permits shall include all of the following:
 - 1. All elements ~~contained in~~ required by R18-2-306(A) except R18-2-306(A)(2)(b) and (6).
 - 2. The process for individual sources to apply for coverage under the general permit.
- E. General permits ~~may include conditions imposed under R18-2-515 developed by the Director shall require sources that are covered under the general permit to install and operate reasonably available control technology for any regulated Minor NSR pollutants allowed under the general permit at an amount equal to or greater than the permitting exemption threshold. This requirement shall not apply to any pollutants subject to an emissions standard established or revised by the Administrator under section 111 or 112 of the Act after November 15, 1990.~~

R18-2-503. Application for Coverage under General Permit

- A. Once the Director has issued a general permit, any source which is a member of the class of facilities covered by the general permit may apply to the Director for authority to operate under the general permit. At the time the Director issues a general permit, the Director may also establish a specific application form with filing instructions for sources in the category covered by the general permit. Applicants shall complete the specific application form or, if ~~none has a specific form has not~~ been adopted, the standard application form ~~contained in Appendix 1 to this Chapter provided under R18-2-304(B)~~. The specific application form shall, at a minimum, require the applicant to submit the following information:
 - 1. Information identifying and describing the source, its processes, and operating conditions in sufficient detail to allow the Director to determine qualification for, and to assure compliance with, the general permit.
 - 2. A compliance plan that meets the requirements of ~~R18-2-309~~ R18-2-514.
- B. For sources required to obtain a permit under Title V of the Act, the Director shall provide the Administrator with a permit application summary form and any relevant portion of the permit application and compliance plan. To the extent possible, this information shall be provided in computer-readable format compatible with the Administrator's national database management system.
- C. The Director shall act on the application for coverage under a general permit as expeditiously as possible. The source may operate under the terms of the applicable general permit during that time. The Director may defer acting on an application under this subsection (if) the Director has provided notice of intent to renew or not renew the permit.
- D. The Director shall deny an application for coverage from any Class I source that is subject to case-by-case standards or requirements.
- E. Upon notification from the Director of the availability of a web portal to apply for and obtain a general permit, an applicant shall file all applications and conduct all transactions related to the general permit through the portal.

R18-2-504. Public Notice

- A. This Section applies to issuance, revision, or renewal of a general permit.
- B. The Director shall provide public notice for any proposed new general permit, for any revision of an existing general permit, and for renewal of an existing general permit.
- C. The Director shall publish notice of the proposed general permit once each week for two consecutive weeks in a newspaper of general circulation in each county and shall provide at least 30 days from the date of the first notice for public comment. The notice shall describe the following:
 - 1. The proposed permit;
 - 2. The category of sources that would be affected;
 - 3. The air contaminants which the Director expects to be emitted by a typical facility in the class and the class as a whole;
 - 4. The Director's proposed actions and effective date for the actions;
 - 5. Locations where documents relevant to the proposed permit will be available during normal business hours;
 - 6. The name, address, and telephone number of a person within the Department who may be contacted for further information;
 - 7. The address where any person may submit comments or request a public hearing and the date and time by which comments or a public hearing request are required to be received;
 - 8. The process by which sources may obtain authorization to operate under the general permit.
- D. ~~For general permits under which operation may be authorized in lieu of Class I permits, the Director shall give notice of the proposed general permit to each affected state at the same time that the proposed general permit goes out for public notice. A copy of the notice required by subsection (C), shall be sent to the Administrator through the appropriate regional office, and to all other state and local air pollution control agencies in the state. The notice shall also be sent to any other agency in the state having responsibility for implementing the procedures required under 40 CFR 51, I. For general permits under which operation may be authorized in lieu of Class I permits, the~~ The Director shall provide the proposed final permit to the Administrator after public and affected state review. No Class



I permit shall be issued if the Administrator properly objects to its issuance in writing within 45 days from receipt of the proposed final permit and any necessary supporting information from the Director.

- E.** By no later than the date notice is first published under subsection (A), the Department shall make copies of the following materials available at a public location in each county and at each Department office:

1. The proposed general permit;
2. The Department's analysis in support of the grant of the general permit;
3. All other materials available to the Director that are relevant to the permit decision.

- EE.** Written comments to the Director shall include the name of the person and the person's agent or attorney and shall clearly set forth reasons why the general permit should or should not be issued pursuant to the criteria for issuance in A.R.S. §§ 49-426 and 49-427 and this Chapter.

- FG.** At the time a general permit is issued, the Director shall make available a response to all relevant comments on the proposed permit raised during the public comment period and during any requested public hearing. The response shall specify which provisions, if any, of the proposed permit have been changed and the reason for the changes. The Director shall also notify in writing any petitioner and each person who has submitted written comments on the proposed general permit or requested notice of the final permit decision.

R18-2-507. General Permit Variances Repealed

- A.** ~~Where MACT (maximum achievable control technology) or HAPRACT (hazardous air pollutant reasonably available control technology) has been established in a general permit for a source category designated under R18-2-1702, the owner or operator of a source within that source category may apply for a variance from the standard by demonstrating compliance with R18-2-1708 at the time the source applies for coverage under the general permit.~~

- B.** ~~If the owner or operator makes the showing required by R18-2-1708 and otherwise qualifies for the general permit, the Director shall, in accordance with the procedures established pursuant to this Article, approve the application and authorize operation under a variance from the standard of the general permit.~~

- C.** ~~Except as modified by the variance, the source shall comply with all conditions of the general permit.~~

- D.** ~~A proposed variance to a standard in a general permit shall be subject to the public notice requirements of R18-2-330.~~

R18-2-508. General Permit Shield Repealed

~~Each general permit issued under this Article shall specifically identify all federal, state, and local air pollution control requirements applicable to the source at the time the permit is issued. The permit shall state that, as of the date authority to operate for a source is granted, compliance with the conditions of the permit shall be deemed compliance with any applicable requirement in effect on the date of permit issuance. Any permit under this Article that does not expressly state that a permit shield exists shall be presumed not to provide such a shield. Notwithstanding the above provisions, the source shall be subject to enforcement action for operation without a permit if the source is later determined not to qualify for the conditions and terms of the general permit. A permit shield provided for a general permit shall meet all the requirements of R18-2-325.~~

R18-2-512. Changes to Facilities Granted Coverage under General Permits

- A.** This Section applies to changes made at a facility that has been granted coverage under a general permit.
- B.** Facility Changes that Require New Authorization to Operate. The following changes at a source that has been granted coverage under a general permit shall be made only after the source requests new authorization to operate from the Director:
1. Adding new emissions units that require new authorization to operate,
 2. Installing replacement emissions units that require authorization to operate.
- C.** Facility Changes that Do Not Require Authorization to Operate. The following changes at a source that has been granted coverage under a general permit shall be made only after the source provides ~~written~~ notification to the Department:
1. Adding new emissions units that do not require authorization to operate,
 2. Installing a replacement emissions unit with a higher capacity that does not require authorization to operate,
 3. Adding or replacing air pollution control equipment.
- D.** A source that has been granted coverage under a general permit shall keep a record of any physical change or change in the method of operation that could affect emissions. The record shall include a description of the change and the date the change occurred.
- E.** For sources that submit a request or notification under subsection (B) or (C), the applicant shall provide information identifying and describing the source, its processes, and operating conditions in sufficient detail to allow the Director to determine continued qualification for, and to assure compliance with, the general permit. The Director shall act on a request for new authority to operate under a general permit as expeditiously as possible. The source may operate under the terms of the applicable general permit during that time.

R18-2-513. Portable Sources Covered under a General Permit

- A.** This Section applies to sources that have been granted coverage under a general permit that allows for the operation of a source at more than one location.
- B.** General permits developed by the Director for portable sources shall contain conditions that ~~will~~ assure compliance with all applicable requirements at all authorized locations.
- C.** Owners and operators that hold multiple coverages under the same general permit: ~~may interchange equipment between sources without obtaining new authorization to operate. At no time shall an owner or operator interchange equipment that would cause the combined facility to exceed emission limitations in the general permit. Equipment covered under different general permits shall not be interchanged except that a new authorization to operate is obtained in accordance with this Article.~~
1. Shall have separate coverage under the general permit for each location at which each portable source operates.
 2. Until the Director notifies permittees of the availability of a web portal under R18-2-503(E), may move equipment between portable sources without obtaining a new authorization to operate. At no time shall an owner or operator move equipment to a portable source if the move would cause emissions from the portable source to exceed emission limitations in the general permit. Equipment from a portable source covered by one general permit shall not be moved to a portable source covered by a different



- general permit, unless the owner or operator obtains a new authorization to operate under the general permit covering the new location.
3. After the Director notifies permittees of the availability of a web portal under R18-2-503(E), must use the portal to obtain authorizations to operate for each location at which the equipment will operate.
- ~~D.~~ Owners and operators that operate multiple portable sources under a general permit shall have an equivalent number of coverages under a general permit as the number of locations at which each portable source operates.
- ~~ED.~~ A portable source that will operate for the duration of its permit solely in one county that has established a local air pollution control program pursuant to A.R.S. § 49-479 shall obtain a permit from that county. A portable source with a county permit shall not operate in any other county. A portable source that has been granted coverage under a general permit that subsequently obtains a county permit shall request that the Director terminate the coverage under the general permit. Upon issuance of the county permit, the coverage under the general permit issued by the Director is no longer valid.
- ~~FE.~~ A portable source which has a county permit but proposes to operate outside that county may obtain coverage under a general permit from the Director. A portable source that has a permit issued by a county and obtains coverage under a general permit issued by the Director shall request that the county terminate the permit. Upon issuance of coverage under a general permit by the Director, the county permit is no longer valid. Before commencing operation in the new county, the source shall notify the Director and the control officer who has jurisdiction in the county that includes the new location according to subsection (GF).
- ~~GF.~~ A portable source granted coverage under a general permit may be transferred from one location to another provided that the owner or operator of ~~such equipment~~ the portable source notifies the Director and any control officer who has jurisdiction over the geographic area that includes the new location of the transfer prior to the transfer. The notification required under this subsection (shall) include:
1. A description of the equipment to be transferred including the permit number and as appropriate the Authorization-to-Operate number for each piece of equipment;
 2. A description of the present location;
 3. A description of the new location to which the equipment is to be transferred, including the availability of all utilities, such as water and electricity, necessary for the proper operation of all control equipment;
 4. The date on which the equipment is to be moved;
 5. The date on which operation of the equipment will begin at the new location;
 6. A complete ~~equipment~~ list of all equipment requiring authorization to operate that ~~will~~ may be located at the new location; and
 7. Revised emissions calculations demonstrating that the equipment at the new location continues to qualify for the general permit under which the portable source has coverage.

R18-2-514. General Permit Compliance Certification

- ~~A.~~ A compliance certification submitted by the owner or operator of a stationary source covered by a general permit shall be on a form provided by the Director and shall include the following information:
1. The source's name, mailing address, contact person and contact person phone number, permit number, compliance reporting period, and physical address and location, if different than the mailing address.
 2. A certification of truth, accuracy, and completeness signed by the facility's responsible officer.
 3. Process information for the source, including design capacity, operations schedule, hours of operation, and total production.
 4. Method of documenting compliance and the status of compliance with all recordkeeping, reporting, monitoring, and testing requirements and all emission limitations and standards imposed in the permit.
- ~~B.~~ Upon notification from the Director of the availability of a web portal to complete and submit a compliance certification, the owner or operator shall complete and submit all compliance certifications through the portal.

R18-2-515. Minor NSR in General Permits

- ~~A.~~ A general permit may include emission standards designed to assure that a stationary source covered by the permit will comply with minor new source review under R18-2-334(C). The emission standards may consist of any combination of the following:
1. Limits designed to assure that emissions from a stationary source that is a member of the class of facilities covered by the permit will not interfere with attainment or maintenance of a NAAQS.
 2. Limits imposing reasonably available control technology.
- ~~B.~~ Except as provided in subsection (C), if a general permit includes emission standards under subsection (A), then any stationary source that is a member of the class of facilities covered by the permit or any minor NSR modification to such a source may comply with R18-2-334 by obtaining coverage under the permit.
- ~~C.~~ An owner or operator seeking coverage under a general permit in order to obtain authorization to construct or make a minor NSR modification to a stationary source shall instead apply for an individual permit, if the Department determines there is reason to believe the source or modification could interfere with attainment or maintenance of any national ambient air quality standard. In making this determination, the Department:
1. Shall consider the factors in R18-2-334(E)(1) to (6).
 2. Shall consider whether the dispersion characteristics of the source are likely to result in higher ambient concentrations of a conventional pollutant than the modeling assumptions used to establish an emission standard under subsection (A)(1).
 3. May apply a screening model to the source's emissions.

ARTICLE 12. EMISSIONS BANK

R18-2-1205. Credit Certification

- ~~A.~~ A permitting authority may certify an emission credit if the permitting authority verifies the credit is based on:
1. A reduction in actual emissions that occurred after August 17, 1999;
 2. A quantifiable reduction in actual emissions;
 3. A permanent reduction in actual emissions;
 4. An enforceable reduction in actual emissions; and



5. A surplus reduction in actual emissions occurring in addition to any other required emission reduction.
- B. The source must notify the permitting authority when the reduction occurs.
- C. In order for an emission reduction to be quantifiable under this Section:
 1. The emission reduction must be quantifiable under R18-2-301~~(14)~~(17); and
 2. The reducing source shall submit documentation of any testing or monitoring that demonstrates an emission reduction.
- D. The permitting authority shall certify one emission reduction credit for each ton per year of particulate matter, sulfur dioxide, carbon monoxide, nitrogen dioxide, or volatile organic compound actually reduced.
- ~~E. At the time of deposit in the emissions bank, the Director shall discount by 10 percent the certified credit total. The 10 percent of certified credit total shall be permanently retired to the bank.~~
- ~~FE.~~ A banked credit does not expire.
- ~~GF.~~ The permitting authority shall notify the source and the Director that a credit is certified. Upon receipt of the notice, the Director shall issue a certificate for each certified credit to the applicant identified in R18-2-1204, and list the certified credit in the registry.

APPENDIX 1. STANDARD PERMIT APPLICATION FORM AND FILING INSTRUCTIONS ~~REPEALED~~
FILING INSTRUCTIONS

No application shall be considered complete until the Director has determined that all information required by this application form and the applicable statutes and regulations has been submitted. The Director may waive certain application requirements for specific source types, pursuant to R18-2-304(B). For permit revisions, the applicant need only supply information which directly pertains to the revision. The Director shall develop special guidance documents and forms to assist certain sources requiring Class 2 permits in completing the application form and filing instructions. Guidance documents can be requested by contacting the Office of Air Quality at the address and phone number given on the "Standard Permit Application Form."

In addition to the information required on the application form, the applicant shall supply the following:

1. Description of the process to be carried out in each unit (include Source Classification Code, if known).
2. Description of product.
3. Description of alternate operating scenario, if desired by applicant (include Source Classification Code).
4. Description of alternate operating scenario product, if applicable.
5. A flow diagram for all processes.
6. A material balance for all processes (optional, only if emission calculations are based on a material balance).
7. Emissions Related Information:
 - a. The source shall submit the potential emissions of regulated air pollutants as defined in R18-2-101 for all emission sources. Emissions shall be expressed in pounds per hour, tons per year, and such other terms as may be requested. Emissions shall be submitted using the standard "Emission Sources" portion of the "Standard Permit Application Form." Emissions information shall include fugitive emissions in the same manner as stack emissions, regardless of whether the source category in question is included in the list of sources contained in the definition of major source in R18-2-101.
 - b. The source shall identify and describe all points of emissions and to submit additional information related to the emissions of regulated air pollutants sufficient to verify which requirements are applicable to the source and sufficient to determine any fees under this Chapter.
8. Citation and description of all applicable requirements as defined in R18-2-101 including voluntarily accepted limits pursuant to R18-2-306.01.
9. An explanation of any proposed exemptions from otherwise applicable requirements.
10. The following information to the extent it is needed to determine or regulate emissions or to comply with the requirements of R18-2-306.01:
 - a. Maximum annual process rate for each piece of equipment which generates air emissions.
 - b. Maximum annual process rate for the whole plant.
 - c. Maximum rated hourly process rate for each piece of equipment which generates air emissions.
 - d. Maximum rated hourly process rate for the whole plant.
 - e. For all fuel burning equipment including generators, a description of fuel use, including the type used, the quantity used per year, the maximum and average quantity used per hour, the percent used for process heat, and higher heating value of the fuel. For solid fuels and fuel oils, state the potential sulfur and ash content.
 - f. A description of all raw materials used and the maximum annual and hourly, monthly, or quarterly quantities of each material used.
 - g. Anticipated Operating Schedules
 - i. Percent of annual production by season.
 - ii. Days of the week normally in operation.
 - iii. Shifts or hours of the day normally in operation.
 - iv. Number of days per year in operation.
 - h. Limitations on source operations and any work practice standards affecting emissions.
11. A description of all process and control equipment for which permits are required including:
 - a. Name.
 - b. Make (if available).
 - c. Model (if available).
 - d. Serial number (if available).
 - e. Date of manufacture (if available).
 - f. Size/production capacity.
 - g. Type.
12. Stack Information:
 - a. Identification.



- b. Description.
- e. Building Dimensions.
- d. Exit Gas Temperature.
- e. Exit Gas Velocity.
- f. Height.
- g. Inside Dimensions.
- 13. Site diagram which includes:
 - a. Property boundaries.
 - b. Adjacent streets or roads.
 - e. Directional arrow.
 - d. Elevation.
 - e. Closest distance between equipment and property boundary.
 - f. Equipment layout.
 - g. Relative location of emission sources or points.
 - h. Location of emission points and non-point emission areas.
 - i. Location of air pollution control equipment.
- 14. Air Pollution Control Information:
 - a. Description of or reference to any applicable test method for determining compliance with each applicable requirement.
 - b. Identification, description and location of air pollution control equipment, including spray nozzles and hoods, and compliance monitoring devices or activities.
 - e. The rated and operating efficiency of air pollution control equipment.
 - d. Data necessary to establish required efficiency for air pollution control equipment (e.g. air to cloth ratio for baghouses, pressure drop for scrubbers, and warranty information).
 - e. Evidence that operation of the new or modified pollution control equipment will not violate any ambient air quality standards, or maximum allowable increases under R18-2-218.
- 15. Equipment manufacturer's bulletins or shop drawings are acceptable for the purposes of supplying the information required by any item in numbers 11, 12, or 14 of this Appendix.
- 16. Compliance Plan:
 - a. A description of the compliance status of the source with respect to all applicable requirements including, but not limited to:
 - i. A demonstration that the source or modification will comply with the applicable requirements contained in Article 6.
 - ii. A demonstration that the source or modification will comply with the applicable requirements contained in Article 7.
 - iii. A demonstration that the source or modification will comply with the applicable requirements contained in Article 8.
 - iv. A demonstration that the source or modification will comply with the applicable requirements contained in Article 9.
 - v. A demonstration that the source or modification will comply with the applicable requirements contained in Article 11 and in rules promulgated pursuant to A.R.S. § 49-426.03.
 - vi. A demonstration that the source or modification will comply with the applicable requirements contained in Article 17.
 - vii. A demonstration that the source or modification will comply with any voluntarily accepted limitations pursuant to R18-2-306.01.
 - b. A compliance schedule as follows:
 - i. For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements
 - ii. For applicable requirements that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis. A statement that the source will meet in a timely manner applicable requirements that become effective during the permit term shall satisfy this provision, unless a more detailed schedule is expressly required by the applicable requirement.
 - iii. A schedule of compliance for sources that are not in compliance with all applicable requirements at the time of permit issuance. Such a schedule shall include a schedule of remedial measures, including an enforceable sequence of actions with milestones, leading to compliance with any applicable requirements for which the source will be in noncompliance at the time of permit issuance. This compliance schedule shall resemble and be at least as stringent as that contained in any judicial consent decree or administrative order to which the source is subject. Any such schedule of compliance shall be supplemental to, and shall not sanction noncompliance with, the applicable requirements on which it is based.
 - e. A schedule for submission of certified progress reports no less frequently than every six months for sources required to have a schedule of compliance to remedy a violation.
 - d. The compliance plan content requirements specified in this subsection (shall) apply and be included in the acid rain portion of a compliance plan for an affected source, except as specifically superseded by regulations promulgated under Title IV of the Act and incorporated pursuant to R18-2-333 with regard to the schedule and method the source will use to achieve compliance with the acid rain emissions limitations.
- 17. Compliance Certification: A certification of compliance with all applicable requirements including voluntarily accepted limitations pursuant to R18-2-306.01 by a responsible official consistent with R18-2-309(A)(5). The certification shall include:
 - a. Identification of the applicable requirements which are the basis of the certification;
 - b. A statement of methods used for determining compliance, including a description of monitoring, recordkeeping, and reporting requirements and test methods;
 - e. A schedule for submission of compliance certifications during the permit term to be submitted no less frequently than annually, or more frequently if specified by the underlying applicable requirement or by the permitting authority; and



- d. A statement indicating the source's compliance status with any applicable enhanced monitoring and compliance certification requirements.
- e. A certification of truth, accuracy, and completeness pursuant to R18-2-304(H).
- 18. Acid Rain Program Compliance Plan: Sources subject to the Federal acid rain regulations shall use nationally standardized forms for acid rain portions of permit applications and compliance plans, as required by regulations promulgated under Title IV of the Act and incorporated pursuant to R18-2-333.
- 19. A new major source as defined in R18-2-401 or a major modification shall submit all information required in this Appendix and information necessary to show compliance with Article 4 including, but not limited to:
 - a. For sources located in a Non-Attainment Area:
 - i. In the case of a new major source as defined in R18-2-401 or a major modification subject to an emission limitation which is LAER (Lowest Achievable Emission Rate) for that source or facility, the application shall contain a determination of LAER that is consistent with the requirements of the definition of LAER contained in R18-2-401. The demonstration shall contain the data and information relied upon by the applicant in determining the emission limitation that is LAER for the source or facility for which a permit is sought.
 - ii. In the case of a new major source as defined in R18-2-401 or a major modification subject to the demonstration requirement of R18-2-403(A)(2), the applicant shall submit such demonstration in a form that lists and describes all existing major sources owned or operated by the applicant and a statement of compliance with all conditions contained in the permits or conditional orders of each of the sources.
 - iii. In the case of a new major source as defined in R18-2-401 or a major modification subject to the offset requirements described in R18-2-403(A)(3), the applicant shall demonstrate the manner in which the new major source or major modification meets the requirements of R18-2-404.
 - iv. An applicant for a new major source as defined in R18-2-401 or a major modification for volatile organic compounds or carbon monoxide (or both) which will be located in a nonattainment area for photochemical oxidants or carbon monoxide (or both) shall submit the analysis described in R18-2-403(B).
 - b. For sources located in an Attainment Area:
 - i. A demonstration of the manner in which a new major source or major modification which will be located in an attainment area for a pollutant for which the source is classified as a major source as defined in R18-2-401 or the modification is classified as a major modification will meet the requirements of R18-2-406.
 - ii. In the case of a new major source as defined in R18-2-401 or major modification subject to an emission limitation which is BACT (Best Available Control Technology) for that source or facility, the application shall contain a determination of BACT that is consistent with the requirements of the definition of BACT contained in R18-2-101. The demonstration shall contain the data and information relied upon by the applicant in determining the emission limitation that is BACT for the source or facility for which a permit is sought.
 - iii. In the case of a new major source as defined in R18-2-401 or major modification required to perform and submit an air impact analysis in the form prescribed in R18-2-407, such an analysis shall meet the requirements of R18-2-406. Unless otherwise exempted in writing by the Director, the air impact analysis shall include all of the information and data specified in R18-2-407.
 - iv. If an applicant seeks an exemption from any or all of the requirements of R18-2-406, the applicant shall provide sufficient information and data in the application to demonstrate compliance with the requirements of the subsection(s) under which an exemption is sought.
- 20. Calculations on which all information requested in this Appendix is based.

STANDARD PERMIT APPLICATION FORM

(As required by A.R.S. § 49-426, and A.A.C. Title 18, Chapter 2, Article 3)

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF AIR QUALITY
P.O. Box 600 • Phoenix, AZ 85001-0600 • Phone: (602) 207-2338

1. Permit to be issued to: (Business license name of organization that is to receive permit) _____
2. Mailing Address: _____
 City: _____ State: _____ ZIP: _____
3. Plant Name (if different item #1 above): _____
4. Name (or names) of Owner or Operator: _____ Phone: _____
5. Name of Owner's Agent: _____ Phone: _____
6. Plant/Site Manager or Contact Person: _____ Phone: _____
7. Proposed Equipment/Plant Location Address: _____
 City: _____ County: _____ ZIP: _____
 Indian Reservation (if applicable): _____



Section/Township/Range, Latitude/Longitude, Elevation: _____

8. General Nature of Business: _____

Standard Industrial Classification Code: _____

9. Type of Organization: _____

☐ Corporation ☐ Individual Owner

☐ Partnership ☐ Government Entity (Government Facility Code: _____)

☐ Other _____

10. Permit Application Basis: ☐ New Source ☐ Revision ☐ Renewal of Existing Permit

☐ Portable Source ☐ General Permit (Check all that apply.)

For renewal or modification, include existing permit number: _____

Date of Commencement of Construction or Modification: _____

Is any of the equipment to be leased to another individual or entity? ☐ Yes ☐ No

11. Signature of Responsible Official of Organization: _____

Official Title of Signer: _____

12. Typed or Printed Name of Signer: _____

Date: _____ Telephone Number: _____

PAGE 1 OF 2

ADEQ/OAQ/100B



PAGE 2 OF 2



NOTICES OF RULEMAKING DOCKET OPENING

This section of the *Arizona Administrative Register* contains Notices of Rulemaking Docket Opening.

A docket opening is the first part of the administrative rulemaking process. It is an “announcement” that the agency intends to work on its rules.

When an agency opens a rulemaking docket to consider rulemaking, the Administrative Procedure Act (APA) requires the publication of the Notice of Rulemaking Docket Opening.

Under the APA effective January 1, 1995, agencies must submit a Notice of Rulemaking Docket Opening before beginning the formal rulemaking process. Many times an agency may file the Notice of Rulemaking Docket Opening with the Notice of Proposed Rulemaking.

The Office of the Secretary of State is the filing office and publisher of these notices. Questions about the interpretation of this information should be directed to the agency contact person listed in item #4 of this notice.

NOTICE OF RULEMAKING DOCKET OPENING DEPARTMENT OF ADMINISTRATION BENEFIT SERVICES DIVISION

[R17-12]

1. **Title and its heading:**
Chapter and its heading:
Article and its heading:

Section numbers:

2, Administration
6, Department of Administration - Benefit Services Division
1, General Provisions
2, Insurance Plans
3, Eligibility Criteria
R2-6-101, R2-6-105, R2-6-106, R2-6-107, R2-6-108, R2-6-204, R2-6-301, R2-6-302 and R2-6-303 (<i>The Division may add, delete, or modify other Sections, as necessary.</i>)

2. **The subject matter of the proposed rules:**

The Division is initiating this rulemaking for the rules in Title 2, Chapter 6: Department of Administration Benefit Services Division that govern the insurance benefit plans made available by the agency, eligibility criteria, enrollment periods, effective dates, and the procedures for requesting a review of either a plan provider decision or an agency decision. These rules impact all state employees (including university employees), retirees, former elected officials, and plan providers. These rules are being updated in order to be consistent with other rules and statutes.

The federal laws used in determining the consistency include, but are not limited to:

 - The Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986, which provides employees and their dependents the opportunity to continue group health insurance coverage that might otherwise be terminated.
 - The Health Information Technology for Economic and Clinical Health (HITECH) Act, which addresses privacy and security concerns associated with the electronic transmission of health information.
 - The Health Insurance Portability and Accountability Act (HIPAA) of 1996, which protects health insurance coverage for employees and their covered dependents when they change or lose their jobs and establishes the requirements for the security and privacy of health data, including who is covered, what information is protected, and how protected health information can be used and disclosed.
 - The Newborns’ and Mothers’ Health Protection Act (Newborns’ Act) of 1996, which includes important protections for mothers and their newborn children with regard to the length of the hospital stay following childbirth, and the notice to satisfy the Newborns’ Act disclosure requirement.
 - The Patient Protection and Affordable Care Act (PPACA), which includes a requirement for insurance companies to cover all applicants within new minimum standards and regardless of pre-existing conditions; requires that adult children be allowed to remain on their parents’ insurance plans until the child turns 26 years old; and, will require employers to offer health insurance to employees who work an average of 30 or more hours per week, with some exceptions.
 - Section 125 of the Internal Revenue Code, which sets forth the requirements and tax treatment of cafeteria [insurance] plans, including flexible spending accounts.

The state laws used in determining the consistency include, but are not limited to:

 - Applicable state statutes in Title 20 (because the health benefit plan is self-funded, A.R.S. § 38-651 requires the agency to provide that the self-insurance program include all health coverage benefits that are mandated pursuant to Title 20).
 - A.R.S. § 38-612, Administration of payroll salary deductions, which allows state officers or employees to authorize deductions to be made from their salaries or wages for the payment of premiums on any health benefits, disability plans or group life plans provided for by statute and any existing insurance programs already provided by payroll deduction.
 - The statutes in Title 38, Chapter 4, Article 4, Health and Accident Insurance.
 - A.R.S. § 38-1114, Health insurance payments for spouse or dependents of law enforcement officer killed in the line of duty; applicability; definitions.



• A.R.S. § 41-703, Duties of [ADOA] director, which grants general authority to the ADOA Director for the agency's activities and operations; A.R.S. § 41-703(11) authorizes the ADOA Director to delegate "as the director deems necessary to carry out the efficient operation of the department."

This rulemaking is also in response to a five-year review report to the Governor's Regulatory Review Council. Rule changes may include necessary revisions to comply with the format and style requirements of the Governor's Regulatory Review Council and the Office of the Secretary of State. The Department may add, delete, or modify the rule Sections as needed to make these changes.

3. A citation to all published notices relating to the proceeding:

Notice of Proposed Rulemaking: 23 A.A.R. 323, February 10, 2017 (*in this issue*).

4. The name and address of agency personnel with whom persons may communicate regarding the rule:

Name: Kayla Stivason, Contracts Specialists
Address: Arizona Department of Administration
Benefit Services Division
100 N. 15th Ave., Suite 260
Phoenix, AZ 85007
Telephone: (602) 364-0803
Fax: (602) 542-4048
E-mail: Kayla.Stivason@azdoa.gov

5. The time during which the agency will accept written comments and the time and place where oral comments may be made:

The Division will accept comments during business hours at the address listed in item #4. Information regarding an oral proceeding is included in the Notice of Proposed Rulemaking in this issue.

6. A timetable for agency decisions or other action on the proceeding, if known:

Refer to the Notice of Proposed Rulemaking in this issue.

NOTICE OF AGENCY GUIDANCE DOCUMENTS

The Administrative Procedure Act requires the publication of guidance documents and substantive policy statements issued by agencies (A.R.S. § 41-1013(B)(14)).

Substantive policy statements and guidance documents are written expressions which inform the general public of an agency's current approach to rule or regulation practice.

Substantive policy statements and agency guidance documents do not include internal procedural documents which may only affect the internal procedures of the agency and do not impose additional requirements or penalties on regulated parties in accordance with A.R.S. Title 41.

**NOTICE OF AGENCY GUIDANCE DOCUMENT
DEPARTMENT OF HEALTH SERVICES**

[M17-10]

1. **Title of the guidance document and the guidance document number by which the document is referenced:**
GD-099-PHS-EMS: Certificates of Necessity for Ambulance Service
2. **Date of the publication of the guidance document and the effective date of the guidance document if different from the publication date:**
Publication date: February 10, 2017
Effective date: January 18, 2017
3. **Summary of the contents of the guidance document:**
The guidance document provides information about how ambulance services are regulated in Arizona and a description of the certificate of necessity system for ambulance services.
4. **A statement as to whether the guidance document is a new document or a revision:**
This is a revised guidance document that clarifies factors used for the determination of public necessity and provides guidance for applicants wishing to provide interfacility transports.
5. **The agency contact person who can answer questions about the guidance document:**
Name: Terry Mullins, Bureau Chief
Address: Arizona Department of Health Services
Bureau of Emergency Medical Services and Trauma System
150 N. 18th Ave., Suite 540
Phoenix, AZ 85007-3248
Telephone: (602) 364-3150
Fax: (602) 364-3568
E-mail: Terry.Mullins@azdhs.gov
or
Name: Robert Lane, Manager
Address: Arizona Department of Health Services
Office of Administrative Counsel and Rules
150 N. 18th Ave., Suite 200
Phoenix, AZ 85007
Telephone: (602) 542-1020
Fax: (602) 364-1150
E-mail: Robert.Lane@azdhs.gov
6. **Information about where a person may obtain a copy of the guidance document and the costs for obtaining the guidance document:**
A copy of the guidance document is available, free of charge, from the Arizona Department of Health Services, Office of Administrative Counsel and Rules at the following web address: <http://azdhs.gov/director/administrative-counsel-rules/rules/index.php#guidance-emsts>. A copy of the guidance document may also be obtained from the Arizona Department of Health Services, Bureau of Emergency Medical Services and Trauma System, 150 N. 18th Avenue, Suite 540, Phoenix, AZ 85007, for 25 cents per page. Payment is accepted in cash or money order made payable to the Arizona Department of Health Services.

NOTICES OF PUBLIC INFORMATION

Notices of Public Information contain corrections that agencies wish to make to their notices of rulemaking; miscellaneous rulemaking information that does not fit into any other category of notice; and other types of information required by statute to be published in the Register.

Because of the variety of Notices of Public Information, the Office of the Secretary of State has not established a specific publishing format for these notices. We do however require agencies to use a numbered list of questions and answers and follow our filing requirements by presenting receipts with electronic and paper copies.

**NOTICE OF PUBLIC INFORMATION
ARIZONA BOARD OF REGENTS**

[M17-11]

**NOTICE OF INTENT AND PROPOSAL TO INCREASE RATES AND FEES FOR CULTURAL RESOURCE
MANAGEMENT SERVICES PERFORMED BY THE ARIZONA STATE MUSEUM**

Laws 2016, Chapter 166, amends Arizona Revised Statutes (A.R.S.) § 15-1631 to require that rate or fee increases for mandated cultural resource management services performed by the Arizona State Museum (ASM) shall be enacted via specified procedures, including public notice and adoption by the Arizona Board of Regents (ABOR).

The University of Arizona hereby provides notice of intent and proposal to increase the rates and fees for mandated cultural resource management services performed by the Arizona State Museum (ASM), in adherence to the process specified under ARS § 15-1631.

Museum Background

ASM was established in 1893 by the Arizona Territorial Legislature, and is the official repository for archaeological collections from state, county, and municipal lands in Arizona and the permitting agency for archaeological projects on these lands. ASM also administers Arizona's human burial protection law on state, county, municipal, and private lands. Under the auspices of ABOR, the University of Arizona directs and manages ASM and sets apart sufficient space to accommodate it, per ARS §15-1631.

Justification for the Development and Application of Rates and Fees

There is no anticipated fiscal impact to the state General Fund associated with this legislation. In accordance with ARS § 41-844(I) and ABOR Policy 8-205(I)(1) Duty to Report Discoveries, the proposed rates and fees are commensurate with the expenses incurred in the provision of services provided in the removal, curation, or reburial of human remains, sacred ceremonial objects, or objects of national and tribal patrimony as the result of a construction or similar project. The proposed rates and fees recover the costs for service provision and do not gift to or subsidize external entities that contract with the University by improperly using State Funds allocated for educational purposes, consistent with requirements in ARS Titles 15 and 35, and Article 9, Section 7 of the Arizona State Constitution.

Proposed Rates and Fees for Cultural Resource Management Services

Pursuant to ARS § 41-844(I), ARS Titles 15 and 35, ABOR Policy 8-205(I)(1) and Article 9, Section 7 of the Arizona State Constitution, ASM's Proposed Cultural Resource Management Services rates and fees are calculated to recover the costs associated with providing mandated cultural resource management services, under ARS § 41-841 et seq. and § 41-865, to non-University of Arizona entities requiring these services (i.e., persons, corporations, institutions, state agencies other than the University of Arizona, and federal agencies). The proposed rates and fees for cultural resource management services for mandated programs are provided below, and the entire proposed schedule that will be posted per the statutory process can be found on page 15 of this document.

Proposed Hourly Service Rates	
\$38	Assistant
\$83	Specialist
\$125	Professional

Proposed In-Perpetuity Curation Fees	
\$3,004/box	Curation of 1 cubic foot box of artifacts
\$2,577/foot	Curation of 1 linear foot of documents

Arizona Antiquities Act Permit	
No charge	Permit application review, up to 30 calendar days turnaround



Justification for Proposed Increases in Rates and Fees

ASM has historically under-recovered from project sponsors all costs of providing services mandated by state and federal law, as physically evidenced by the substantial backlog of work and unprocessed boxes in storage and the substantial liability associated therewith, as well as the lack of sufficient resources to process this backlog. Historical analysis has revealed that substantial portions of the employee effort and other costs necessary to provide the services associated with mandated programs were not properly recovered due to the use of task-based fees that relied on estimated averages of time spent per task rather than rates based on hours to execute the specific task. Furthermore, costs of *in-perpetuity* storage, despite statutory requirement, were not included in the previous fees.

Description and Explanation of the Methodology Utilized to Calculate the Proposed Fees

Background and Facts

As previously documented, ARS and the Arizona State Constitution dictate that construction and similar projects shall bear all costs incurred to recover, process, and curate artifacts, as well as the costs associated with the treatment and disposition of human remains and funerary objects disturbed as a result of such projects.

To develop the proposed rates and fees, the standards and foundational processes that the university utilizes to determine appropriate rates for the delivery of services was employed, described by <http://www.fso.arizona.edu/rate-studies>. These standards and processes are guided by the federal government which has issued uniform guidance to ensure that only allowable costs incurred by the institution in the delivery of services are billed to the federal government in the execution of grants or contracts.

In order to ensure that the revised rate and fee structure meets these requirements, analysis of the services historically provided by ASM was conducted, with a focus on the inputs necessary to provide those services, and the business and regulatory environments in which ASM operates in delivering these services. Through multiple meetings and discussions with ASM faculty and staff over several months, as well as several tours of the facility, the following facts have been gathered and used in the framing of the proposed rate and fee structure.

1. ASM is required by state law to provide services necessary to ensure proper documentation and curation of artifacts and the treatment and disposition of human remains and funerary objects disturbed through construction activities across the state. These services are collectively referred to as mandated programs.
2. All of the services provided under mandated programs consist of some combination of professional services and the curation of documents and/or artifacts in perpetuity.
3. The time and effort involved in completing the services associated with any one project within mandated programs is highly dependent on a variety of factors, including:
 - a. Distribution of archaeological sites across the landscape and areas of potential development.
 - b. Proximity of construction project to archaeological site(s).
 - c. Distribution of archaeological artifacts relative to ground disturbance within the construction site.
 - d. Artifact population density within the construction site.
 - e. The quality of documentation and record keeping provided by project sponsors or their agents regarding artifacts collected and deposited with ASM.
4. ASM is subject to many regulations that dictate services to be provided, professional standards by which they must be provided, for which services charges may be assessed, and even who must bear the burden of the cost for such services. This regulatory framework includes:
 - a. Curation of Federally Owned and Administered Archaeological Collections, 36 CFR 79
 - b. State law, including but not limited to ARS §§ 15-1631, 41-865 and 41-841, et seq.
 - c. ABOR Policy, including but not limited to 8-101 through 8-110 and 8-201 through 8-207
 - d. Professional Standards as set out by the American Alliance of Museums
5. The ASM Director and professional staff are responsible for determining the appropriate staff classification for completion of a given task in order to ensure compliance with the aforementioned obligations and standards. Much of the day-to-day, hands-on work is performed by lower level employees, and then reviewed by senior personnel to ensure compliance with the statutory obligations and professional standards previously mentioned. However, there are certain activities that for various reasons (e.g., they require more training or experience to conduct) require the direct effort of professional staff.
6. Mandated programs work typically relates directly to construction and similar projects on state or private lands across the state.
7. A.R.S. § 41-1008 prohibits ASM from charging fees for the issuance of permits. With the exception of permit issuance, all other ASM rates and fees were determined to be authorized under ARS § 41-844(I).
8. Paper records related to mandated programs must be physically maintained in perpetuity.



Framework for Rate and Fee Structure

Given fact 2 above, all services provided under mandated programs primarily consist of a combination of personnel and associated costs, as well as in-perpetuity storage costs. Fact 5 above informs us that there are multiple tiers of employee skill and related compensation level that need to be accounted for in establishing rates to properly recover costs. Based on these facts, there were two methods identified by which cost recovery could be achieved: task-based fees or time-based rates.

Maintaining a task-based fee structure would keep the fees in a format comparable to how they were historically assessed. This method requires the outlining of each specific task and sub-task necessary to complete each service for which a fee is to be developed. It is then necessary to determine the average amount of time required from each tier of personnel to complete each specific task and sub-task. Flat fees are then set to recapture the costs associated with the total average amount of time necessary to complete each service, taking into account the various costs for each employee tier. However, given fact 3 above, it was noted that models based on average time requirements could create substantial disparities between the costs incurred and charges assessed to a given project. Small projects having little to no impact on archaeological sites, and subsequently little costs incurred, could be assessed unduly disproportionate fees, and projects with large archaeological impact could be under-assessed in comparison to incurred costs.

Therefore, given the aforementioned potential variance in time requirements/fees assessed amongst mandatory projects undertaken by ASM (see fact 3 above), and feedback from stakeholders requesting more scalability and transparency in the assessed charges, the time-based rate methodology was selected.

Based on employee classifications within ASM and their related salary levels, three service rates were determined (Assistant, Specialist and Professional) for all services to be provided. Service rates consist primarily of the average hourly pay rate of the employees within each class and the necessary operating costs to support their activities. See the Assistant, Specialist and Professional sections below for a full list of the expenses included within these rates.

In addition to the three hourly service rates developed for the various labor classes, rates for the curation of documents and artifacts in perpetuity also were developed. The vast majority of the artifacts curated within the museum are stored within standard one-cubic-foot boxes. Although multiple artifacts will typically fit within a single box, artifacts from multiple construction sites, or projects, are never co-located within boxes in the museum. Projects can, therefore, be assessed a flat fee for each box required to store in perpetuity the artifacts found within their respective construction sites. Artifacts too large for boxes are infrequent statistical outliers in likelihood, and will simply be charged the per-box fee for curation in perpetuity. Per fact 8 above, paper records also must be kept in perpetuity. Based on this fact, the fee for curation of documentation in perpetuity was developed based on a linear foot, a standard archival measure. These fees (per box and linear foot of documentation) were calculated based on the formula for a perpetuity due:

$$\text{Fee} = \text{current year costs} + \frac{\text{periodic storage costs}}{\text{periodic discount rate}}$$

See the Costs Wholly Allocable to Fee for In-Perpetuity Curation of a Box of Artifacts section and the Costs Wholly Allocable to the Fee for In Perpetuity Curation of Documents section below for a list of the expenses included within current year costs and periodic storage costs, as well as the discount rate used in this calculation.

Costs associated with the provision of services under AZSITE and NAGPRA, and costs associated with the issuance of permits were tracked separately, and are not included in the assessed charges for service rates or in-perpetuity curation fees.

AZSITE is a Geographic Information System (GIS) that serves as a consolidated informational network of recorded cultural resources; including prehistoric and historic sites and properties, and surface surveys within the state of Arizona and a 40-mile buffer around the state. AZSITE is a collaborative project of the Arizona State Museum on the University of Arizona campus, Archaeological Research Institute on the Arizona State University campus, The State Historic Preservation Office and the Museum of Northern Arizona. Use of AZSITE is not mandated under ARS § 41-841 et seq. or § 41-865. The AZSITE expenses are not related to mandated programs, have been separately accounted in order to prevent them from being mis-allocated to mandated programs, and thus are not included in the mandated services rates or in-perpetuity curation fees.

The Native American Graves Protection and Repatriation Act (NAGPRA; 25 USC § 3001, et seq.) is a federal law that imposes responsibilities and costs on all museums that have ever received federal funding and that curate Native American human remains and/or funerary objects, sacred objects, and objects of cultural patrimony. The responsibilities and costs associated with NAGPRA are not borne by project sponsors but by curatorial institutions and federal agencies. The NAGPRA expenses are not related to mandated programs, have been separately accounted in order to prevent them from being mis-allocated to mandated programs, and thus are not included in the mandated services rates or in-perpetuity curation fees.

Per fact 7, charges related to the issuance of permits are not permissible under Arizona Revised Statutes. Therefore, the costs for



permit issuance have been separately accounted in order to prevent these costs from being mis-allocated to other mandated programs, and are not included in the assessed service rates or the in-perpetuity curation fees.

Costs Included Within the Proposed Rates and Fees

First and foremost, all of the revised ASM rates and fees have been derived using a cost basis, ensuring that they are commensurate and proportionate to the scope of services provided. According to accounting principles, all costs included within the proposed rates and fees must be allowable, where allowability of a cost is determined prior to its incurrence and inclusion within the rates and fees, and requires that the following criteria be met:

1. Costs must be both **necessary and reasonable** for the provision of services. Transactions must be entered into at an arm's length using sound business practices, and adhering to established University and ABOR policies.
2. Costs must be **properly allocable** in part or in whole to services provided in accordance with the relative benefits received or some other equitable relationship to the costs incurred.
3. Costs must be **readily determinable** for inclusion within rates/fees.
4. Costs must be **consistently and uniformly applied** according to generally accepted accounting principles and relevant University and ABOR policies and procedures.
5. Costs must be **substantiated** with adequate documentation, given the nature of the expense involved.

UA Travel and other Financial Policies and Procedures are available on the web at policy.fso.arizona.edu/fsm

Costs Wholly Allocable to Individual Rates and Fees

The benefits of these costs can be directly associated with the provision of a single service.

Costs Wholly Allocable to the Assistant Rate

Salary and Employee Related Expenses (ERE¹) for time spent directly providing services to clients (\$16,821.74; 0.67 FTE combined).

Salary and ERE for Managerial, Security & Administrative support (\$12,023.81).

Costs Wholly Allocable to the Specialist Rate

Salary and ERE for time spent by Specialists providing services to clients (\$289,473.95; 4.75 FTE combined).

Salary and ERE for Managerial, Security & Administrative support (\$58,011.27).

Costs Wholly Allocable to the Professional Rate

Salary and ERE for time spent by Professionals providing services to clients (\$123,969.45; 1.06 FTE combined).

Salary and ERE for Security & Administrative support (\$14,802.22).

Costs Wholly Allocable to the Issuance of a Permit (and not included in the assessed rates and fees)

Salary and ERE for time spent issuing permits to clients (\$53,357.08; 0.84 FTE combined).

Salary and ERE for Managerial, Security & Administrative support (\$1,159.27).

Net Present Value of cost of storing documentation related to permits in perpetuity (\$748.14 per permit).

Costs Wholly Allocable to Fee for In-Perpetuity Curation of a Box of Artifacts

Current Year Costs

Shelving cost per box, assuming 80% long-term efficiency, and based on historic cost of shelving units.

Space cost per box, assuming 80% long-term efficiency, and based on RCM model cost per square foot.

Costs of box, bags, acid free card stock, archival pens, curation supplies, etc.

Periodic Costs

Cost recovery for shelving (est. 20-year useful life), space and inventory labor in perpetuity.

Costs Wholly Allocable to the Fee for In-Perpetuity Curation of Documents

Current Year Costs

Shelving cost per linear foot of documents, assuming 80% long-term efficiency, and based on historic cost of shelving units.

Space costs per linear foot of documents, assuming 80% long-term efficiency, and based on the cost per square foot under the Responsibility Centered Management (RCM) Budget Model utilized uniformly across all university units.

Costs of boxes, folders, curation supplies, etc.

Periodic Costs

Cost recovery for shelving (est. 20-year useful life), space, and inventory labor in perpetuity.

Applicable Interest Rates for Calculation of Perpetuities

The discount rate of 7.2% was used in calculation of the perpetuities due associated with curation of both boxes of artifacts

1. Employee Related Expense (ERE) are the expenses the University is responsible for as an employer. ERE is comprised of FICA, Retirement, Unemployment Compensation, Worker's Compensation, Liability Insurance, Health/Dental/Life Insurance, and Dependent Care Assistance. See <http://www.fso.arizona.edu/financial-management/ere-rates> for further information.



and documentation. This rate was deemed appropriate, as it is approximately the average annual return of the S and P 500 Index over the period of 1950 to 2009.^{1, 2} The inflation rate of 1.7% was used based on projections from tradingeconomics.com. Similar sites predict higher inflation rates, but the 1.7% figure has been used to produce more conservative costs for ASM customers.³

Sensitivity of Curation Fees to Applicable Discount Rate

7.0% Net Discount Rate: \$2,401 per box and \$2,069 per linear foot of documentation

5.5% Net Discount Rate: \$3,004 per box and \$2,577 per linear foot of documentation

4.0% Net Discount Rate: \$4,061 per box and \$3,468 per linear foot of documentation

2.0% Net Discount Rate: \$7,934 per box and \$6,732 per linear foot of documentation⁴

Costs Allocable to Multiple Rates

There exist costs that are required for the conduct of mandated programs, but which cannot be assigned or allocated directly to any one rate or fee. These costs therefore are aggregated and then allocated amongst the rates and fees either in accordance with the relative benefits thereby received, or in proportion to the resources consumed.

Environmental Control Costs

PEM2 Dataloggers cost recovery (est. 5-year useful life), eClimate Notebook, lift cost recovery (est. 15-year useful life) and repair. These costs are allocated between the Fee for In-Perpetuity Curation of a Box of Artifacts and the Fee for In-Perpetuity Curation of Documents based on relative number of units processed (\$3,905.53 per annum).

Office Equipment

Cost recovery for computers (est. 5-year useful life), photocopier (est. 7-year useful life) and large bed scanner (est. 5-year useful life). These costs are allocated across the three labor rates and the permit issuance rate based on relative number of units provided (\$7,755.58 per annum).

Office Supplies

Paper, ink/toner, pens, pencils, plastic bags and other operating supplies. These costs are allocated across the three labor rates and the permit issuance rate based on relative number of units provided (\$5,007.97 per annum).

Communication User FTE Network Charges

\$776 per year per FTE assigned to mandated programs. These costs are allocated across the three labor rates and the permit issuance rate based on relative number of units provided, which is proportionate to the number of FTEs within each category. The \$776 is set annually by the University Information Technology Services (UITS) unit. The Communication User FTE Network charge recovers a portion of the costs of providing data and voice connectivity to UA campus users. This charge applies to all University FTEs (\$10,112.67 per annum).

Desktop Computing Costs

\$800 per year per FTE assigned to mandated programs. These costs are allocated across the three labor rates and the permit issuance rate based on relative number of units provided, which is proportionate to the number of FTEs within each category. Desktop computing support is provided under a service contract by University Information Technology Services (UITS) unit. UITS sets the annual rate (\$10,425.43 per annum).

Server Maintenance and Storage Costs

Annual costs for the proportion of server space utilized to support mandated programs and maintenance thereof. These costs are allocated across the three labor rates and the permit issuance rate based on relative number of units provided. Server maintenance and storage costs are provided under a service contract by University Information Technology Services (UITS) unit. UITS sets the annual rate (\$12,500 per annum).

Facilities and Administrative Costs

Facilities and Administrative Costs are those costs associated with maintaining a viable place of business in which to conduct the mandated programs, which are determined officially by review and approval of the federal authority, the Department of Health and Human Services, the cognizant agency for the University of Arizona. The following components of the official University of Arizona Facilities and Administrative Cost rates have been applied and included within the proposed rates (30.39% for services; 13.26% for curation).

Building Expense⁶

Equipment Costs

1. <http://www.simplestockinvesting.com/SP500-historical-real-total-returns.htm>

2. <http://www.thesimpledollar.com/where-does-7-come-from-when-it-comes-to-long-term-stock-returns/>

3. <http://www.tradingeconomics.com/united-states/inflation-cpi/forecast>

4. This is the average rate of return on Operating Funds within the University of Arizona, per the Comptroller.



Interest Expense⁸

Operations and Maintenance Expense⁸

Administrative Service Charges, including Financial Services

Allowable Costs not included in the Proposed Rates and Fees

There are substantial pools of costs that were not included within these rates and fees in order to mitigate the burden borne by project sponsors and to keep charges as low as possible. These allowable but excluded costs include the following:

1. Retrofitting of UA warehouse space for the curation of artifacts and documentation. In order to meet the space requirements of providing curation of artifacts and documentation in perpetuity, ASM must expand its storage space within the next five years. Rather than assuming and including additional on-campus space, ASM has identified a more cost-effective alternative location at an off-campus warehouse recently purchased by the University. This space requires retrofitting in order to be suitable for ASM storage and related activities. The current estimate of the cost of this retrofit is \$1,600,000. ASM is currently pursuing external funding via grants and a donor-based philanthropic campaign, and thus no portion of these costs are included within any of the proposed rates or fees for mandated programs.
2. Costs associated with the maintenance of a skilled workforce. Employee training is an integral part of maintaining ASM's professional workforce, thereby ensuring capacity to fulfill the mandated duties of curation and preservation of artifacts in a manner that comports with professional standards and practice expectations. ASM estimates that each continuing employee requires approximately \$1,000 worth of training each year to maintain skills consistent with these standards. New hires require substantially greater investments in training for appropriate skill development.
3. Costs for space where compactor shelving is not yet installed. The physical framework for existing compactor shelving contains enough space for an additional nine (9) carriages of shelving. Rather than apportioning the costs for this currently-dead-space amongst the shelving carriages that currently exist, a rate consistent with the long-term efficiency achievable via the additional capacity in this dead-space was utilized. Had the dead-space been allocated across current capacity, the fee for in-perpetuity curation of either a box of artifacts or a linear foot of documentation would have increased by \$1,791.89.
4. Costs for the new Consolidated Collections Information System. ASM currently operates with an information system that is approximately 15 years old. The total estimated cost to replace ASM's antiquated information system with a modern consolidated collection information system is \$625,628. Rather than include the allowable proportionate amount of these costs in the rates and fees for mandated programs, ASM staff have submitted federal grant proposals and pursued a donor-based philanthropic campaign to underwrite these costs.
5. Salaries for UA's office for Research, Discovery & Innovation (RDI) Business Center personnel utilized by ASM were not included within the rates and fees. ASM is provided accounting, HR and other business service support by the RDI Business Center. The personnel, equipment, office supplies and other costs associated with the provision of these services were wholly excluded from the rates and fees for mandated programs.

Independent Review of Proposed Rates and Fees

The Financial Services Office (FSO) at the University of Arizona conducted an independent review of the methodology used in the development of ASM's proposed rates and fees, and has validated the methodology.

Quantification of the Rate and Fee Increase

The proposed changes herein relate not only to the rates and fees charged, but to their structure and the method by which they are applied. Due to this fundamental change in structure, the old and proposed new rates are not directly comparable.

Nonetheless, despite the different structure resulting in non-comparability, estimates for hypothetical project charges for the mandated services provided under the new structure have been generated for the purposes of illustrative comparison using historical averages of hours for task completion and the proposed services rates.



Example for Illustration:

Service	Old Structure	Fee	New Structure
			Example Project Charges using estimated historical average hours for execution*
Project Registration for Monitoring Project (curated at ASM)	\$3,000		\$1,079
Project Registration for Testing/Excavation Project (curated at ASM)	\$6,000		\$1,283
Project Registration for Survey Project (must be curated at ASM)	\$0.60/acre		\$650
Project Registration for Monitoring Project (not curated at ASM)	\$150		\$249
Project Registration for Testing/Excavation Project (not curated at ASM)	\$150		\$249
Collections Intake (curated at ASM; assumes 1 box, 1 cataloged object, 1 inch of documentation)	\$1,000		\$1,321
Curation of Artifacts in Perpetuity (per one-cubic-foot box)	Not included	\$3,004	
Curation of Documents in Perpetuity (per linear foot)	Not included	\$2,577	
General Burial Agreement	\$250		\$250
Project-Specific Burial Agreement	\$300		\$2,375
Consultation Regarding Human Remains Discovery on State Lands (assumes 8 hours)	\$300		\$1,000
Burial Excavation and Analysis (assumes 8 hours)	\$440		\$1,000

Entities Directly Affected by Rate and Fee Increases

The entities directly affected by these costs are project sponsors and cultural resource management firms (archaeological consultants) engaged by project sponsors.

The entities who will bear the costs are project sponsors, with the exception of the costs associated with the issuance of permits (as these costs cannot be included in cultural resource management service rates or fees under ARS § 41-1008).

The proposed structure of the new rates and fees is designed to be responsive to concerns expressed by sponsors, while at the same time, comporting with regulatory requirements for service delivery and cost recovery. The proposed rate and fee structure is transparent, consistent, and scalable to the differing scopes of various projects.

The entities who will directly benefit from the proposed rate and fee increases are project sponsors and the people of the state of Arizona, including the state's tribal communities.

Project sponsors will benefit from the greater predictability, transparency, and scalability in charges for ASM to provide the mandated cultural resource management services that support and enable their commercial, residential, and infrastructure development projects to proceed under federal and state law.

The people of Arizona, including the state's tribal communities, will benefit not only from the development projects facilitated by ASM's mandated mission, but also in that the information and objects recovered as a result of archaeological activities in advance of development will be studied, documented, and curated in perpetuity for ongoing research and use in educational programs and exhibitions, in compliance with federal and state law.

Explanation of the services ASM will provide with the proposed increased rates and fees

Mandated services provided pursuant to ARS § 41-841 et seq., ARS § 41-865, and ABOR Policy Manual Chapter 8 include:

- 1) project registration, including the development of curation agreements if the collection associated with a given project is to be curated by ASM;
- 2) development of burial agreements;
- 3) consultation regarding the discovery of human remains on state lands;
- 4) collections intake, if the collection associated with a given project is curated by ASM;
- 5) curation of collections and associated records in perpetuity, if the collection associated with a given project is curated by ASM and;
- 6) burial excavation and analysis, when required.

Project Registration

ASM is responsible for ensuring the care of all archaeological materials recovered from state lands and the lands of all political subdivisions of the state, as well as the records associated with these collections, whether they are to be curated at ASM or at another public repository. Under federal and state law, a permit for archaeological activity cannot be issued by ASM until ASM



is presented evidence that the project sponsor and/or that entity's agent has secured a curation agreement from a public repository. Project registration is the process by which ASM either develops a curation agreement for curation at ASM or obtains information required to track collections and records to be curated by other public repositories.

Project Registration for Monitoring (Collections Curated at ASM)

The specific tasks associated with this service include:

- Creating an accession file and database record.
- Creating a curation agreement and obtaining signatures.
- Preparing cover letters and mailing documents.
- Consulting with clients as needed.
- Arranging for and accepting delivery of collections and associated records.
- Reviewing submitted documentation.

Project Registration for Testing or Excavation (Collections Curated at ASM)

The specific tasks associated with this service include:

- Creating an accession file and database record.
- Creating a curation agreement and obtaining signatures.
- Preparing cover letters and mailing documents.
- Consulting with clients as needed.
- Arranging for and accepting delivery of collections and associated records.
- Reviewing submitted documentation.

Project Registration for Survey (Collections Curated at ASM)

The specific tasks associated with this service include:

- Processing a Notification of Intent to Conduct Survey.
- Creating an accession file and database record.
- Issuing site numbers and updating the site number database.
- Reviewing submitted documentation.
- Plotting sites on maps, checking landownership, updating the site database.

Project Registration for Monitoring, Testing, or Excavation (Collections Not Curated at ASM)

The specific tasks associated with this service include:

- Consulting with clients as needed.
- Reviewing submitted documentation.
- Creating a permanent record file and database entries.

Burial Agreements

The specific tasks associated with this service include:

- Reviewing the work plan and sending comments to the client.
- Writing the draft burial agreement, addressing client comments, and preparing the final agreement.
- Reviewing the draft report of human remains, preparing comments, and sending comments to the client.
- Reviewing the project report and sending comments to the client.
- Preparing paper and electronic records for curation in perpetuity.

Consultation Regarding the Discovery of Human Remains on State Lands

The specific tasks associated with this service include:

Telephone consultation.

Organizing and attending face-to-face consultation meetings, regardless of whether a burial agreement is required.

Collections Intake (accession, inventory, and cataloguing of collections and associated records)

The specific tasks associated with this service include:

- Reviewing the electronic inventory and physically checking the contents of boxes against the inventory.
- Rehousing artifacts as needed.
- Cataloguing and photographing objects.
- Creating database records for each catalogued object.
- Inventorying and rehousing documents.
- Creating database records for documents.
- Inventorying and uploading digital images and other digital files to servers.
- Creating database records for digital files.

Curation of Collections and Associated Records in Perpetuity

The specific tasks associated with this service include:

- Providing space, shelving, and environmental controls.
- Providing archival-quality curation supplies (acid-free boxes, folders, etc.).
- Conducting an annual inventory.

Burial Excavation and Analysis

The specific tasks associated with this service include:



Site visit and assessment.

Documentation and removal (excavation) of human remains and funerary objects.

Analysis of remains in secured laboratory (including, at a minimum, inventory and morphological and metric observations).

Determination of cultural or religious affinity.

Consultation with groups of cultural or religious affinity and possible site visit.

Disposition of human remains and funerary objects, which may include reburial, repatriation, or permanent safekeeping at ASM.

Efforts to Avoid Fee Increases or Reduce Costs and/or Regulatory Burden

ASM's mandated mission consists of serving our stakeholders and communities in ensuring that construction or similar projects remain compliant with the regulatory framework to which they are subjected under federal and state law. Although the burden imposed upon such projects as a result of this regulatory framework is outside ASM's purview and well beyond the University's authority and control, the University and ASM have pursued several efforts to reduce the charges assessed to project sponsors in meeting our mutual responsibilities under the law.

There are substantial pools of costs that are allowable in the development of the proposed rates and fees that were not included in order to mitigate the burden borne by project sponsors and to keep charges as low as possible.

Cost Mitigation Efforts

RDI Business Support to ASM

ASM is provided accounting, human resource and other business service support by the RDI Business Center. The personnel, equipment, office supplies and other costs associated with the provision of these services were wholly excluded from the rates and fees for mandated programs in order to reduce charges to project sponsors.

Compactor Shelving

ASM's utilization of compactor shelving significantly reduces the space costs associated with curation in perpetuity of both boxes of artifacts and linear feet of documentation. Excluding consideration of the necessary costs associated with environmental controls, the per-box or per-linear-foot savings from employing compactor shelving is a net present value of \$1,432.56. These savings are a direct result of the fact that compactor shelving makes 45% more efficient use of square footage of storage space than standard shelving. The cost differential between compactor and standard shelving is recuperated within the first 85 boxes of artifacts or linear feet of documentation curated, and each compactor carriage can store an average of 336 boxes or linear feet of documentation. These savings are incorporated in the proposed rates and fees, and the benefits passed on directly to the entities that engage ASM for services under mandated programs.

Future Curation in UA Warehouse

Currently all curation at ASM is carried out within two historic buildings on the University of Arizona campus. The curation fees for both boxes of artifacts and linear feet of documentation are based on facilities cost of \$25.19 per square foot per month, as calculated within the University's RCM Budget Model. This rate takes into account operations, utilities, and debt payments associated with facilities and grounds. Recently ASM submitted a 12D Funding Request through the Apache Gold Casino Resort for \$200,000 of the estimated \$1.6M necessary to secure and outfit 30,000 square feet of archaeological collections curation and research space in an off-campus facility. Once ASM is able to secure the remaining \$1.4M of funding, for which it is currently conducting a donor-based philanthropic campaign, this off-campus facility will be retrofitted to meet ASM's specific storage needs. This off-campus site will enable ASM to continue to meet its mission relating to the curation of artifacts and documents even as its historical space reaches capacity, and it is anticipated that this off-campus location can be operated at lower cost than the historical buildings that currently serve as the storage space. If realized, these cost reductions will be built into the rates and fees for mandated programs and the benefit passed through to project sponsors.

Consolidated Collections Information System

In September of 2016, ASM faculty submitted a grant proposal under the Humanities Collections and Reference Resources funding announcement offered by the National Endowment for the Humanities' division of Preservation and Access. If funded, this grant will provide \$289,502 towards the total estimated cost of \$625,628 needed to replace ASM's current antiquated information system with a modern consolidated information system. This new system will enable ASM staff to more efficiently, accurately, and adequately complete the process of cataloguing its holdings, thereby minimizing costs to projects associated with processing artifacts deposited. The simplified infrastructure of the new consolidated system is also anticipated to drive reductions in IT costs associated with server maintenance and storage.



Independent IT Assessment for Museums

In December of 2015, ASM's parent organization, the University's Office for Research, Discovery & Innovation (RDI), engaged WTC Consulting to formulate a strategy for complex networking, IT & telecommunications to be implemented across ASM, the Center for Creative Photography and the University of Arizona Museum of Art. After their analysis of server and storage infrastructures, user systems, applications and data management, and existing IT support, WTC formulated a strategy to create a shared IT support model across the three RDI units, which leveraged existing University Information Technology Services (UITS) services with targeted internal IT support. RDI and ASM are currently implementing this plan in stages, including submission of the aforementioned CCIS grant to the National Endowment for the Humanities, and a reduction in direct IT support staff. The recommendations included within the strategy have assisted in reducing the costs associated with the provision of mandated services and providing greater security to ASM's digital records.

Schedule of Mandated Cultural Resource Management Service Rates and Fees

- Pricing structure is based on hourly service rates for mandated services that include project registration, development of burial agreements, consultation regarding the discovery of human remains on state lands, collections intake, and burial excavation and analysis.
- In-perpetuity curation fees are charged per box of objects and per linear foot of documents deposited. These fees are assessed in addition to collections intake charges based on service rates.
- No charge is assessed for the issuance of permits, consistent with ARS § 41-1001 through 41-1092.
- A Project Estimate will be provided at project initiation and will include estimates of the number and type of service hours to be provided as well as the number of boxes of objects and the number of linear feet of documents to be submitted for curation.

A deposit equal to 15% of the estimated cost of services to be rendered, not to include in-perpetuity curation fees, will be due at project initiation.

- Project Estimates are non-binding. Projects will be billed monthly based on actual service hours provided and in-perpetuity curation fees will be due at the time of deposit, based on the number of boxes of objects and the number of linear feet of documents submitted.
- Current Rates and Fees will be charged at the time services are provided or objects or documents are submitted.
- Rates and Fees are subject to change through the process described in A.R.S. § 15-1631.

Proposed Hourly Service Rates	
\$38	Assistant
\$83	Specialist
\$125	Professional

Proposed In-Perpetuity Curation Fees	
\$3,004/box	Curation of 1 cubic foot box of artifacts
\$2,577/foot	Curation of 1 linear foot of documents

Arizona Antiquities Act Permit	
No charge	Permit application review, up to 30 calendar days turnaround

REGISTER INDEXES

The *Register* is published by volume in a calendar year (See “General Information” in the front of each issue for more information).

Abbreviations for rulemaking activity in this Index include:

PROPOSED RULEMAKING

PN = Proposed new Section
PM = Proposed amended Section
PR = Proposed repealed Section
P# = Proposed renumbered Section

SUPPLEMENTAL PROPOSED RULEMAKING

SPN = Supplemental proposed new Section
SPM = Supplemental proposed amended Section
SPR = Supplemental proposed repealed Section
SP# = Supplemental proposed renumbered Section

FINAL RULEMAKING

FN = Final new Section
FM = Final amended Section
FR = Final repealed Section
F# = Final renumbered Section

SUMMARY RULEMAKING**PROPOSED SUMMARY**

PSMN = Proposed Summary new Section
PSMM = Proposed Summary amended Section
PSMR = Proposed Summary repealed Section
PSM# = Proposed Summary renumbered Section

FINAL SUMMARY

FSMN = Final Summary new Section
FSMM = Final Summary amended Section
FSMR = Final Summary repealed Section
FSM# = Final Summary renumbered Section

EXPEDITED RULEMAKING**PROPOSED EXPEDITED**

PEN = Proposed Expedited new Section
PEM = Proposed Expedited amended Section
PER = Proposed Expedited repealed Section
PE# = Proposed Expedited renumbered Section

SUPPLEMENTAL EXPEDITED

SPEN = Supplemental Proposed Expedited new Section
SPEM = Supplemental Proposed Expedited amended Section
SPER = Supplemental Proposed Expedited repealed Section
SPE# = Supplemental Proposed Expedited renumbered Section

FINAL EXPEDITED

FEN = Final Expedited new Section
FEM = Final Expedited amended Section
FER = Final Expedited repealed Section
FE# = Final Expedited renumbered Section

EXEMPT RULEMAKING**EXEMPT PROPOSED**

PXN = Proposed Exempt new Section
PXM = Proposed Exempt amended Section
PXR = Proposed Exempt repealed Section
PX# = Proposed Exempt renumbered Section

EXEMPT SUPPLEMENTAL PROPOSED

SPXN = Supplemental Proposed Exempt new Section
SPXR = Supplemental Proposed Exempt repealed Section
SPXM = Supplemental Proposed Exempt amended Section
SPX# = Supplemental Proposed Exempt renumbered Section

FINAL EXEMPT RULEMAKING

FXN = Final Exempt new Section
FXM = Final Exempt amended Section
FXR = Final Exempt repealed Section
FX# = Final Exempt renumbered Section

EMERGENCY RULEMAKING

EN = Emergency new Section
EM = Emergency amended Section
ER = Emergency repealed Section
E# = Emergency renumbered Section
EEXP = Emergency expired

RECODIFICATION OF RULES

RC = Recodified

REJECTION OF RULES

RJ = Rejected by the Attorney General

TERMINATION OF RULES

TN = Terminated proposed new Sections
TM = Terminated proposed amended Section
TR = Terminated proposed repealed Section
T# = Terminated proposed renumbered Section

RULE EXPIRATIONS

EXP = Rules have expired
See also “emergency expired” under emergency rulemaking

CORRECTIONS

C = Corrections to Published Rules



2017 Arizona Administrative Register Volume 23 Page Guide

Issue 1, Jan. 6, 2017.....1-92	Issue 3, Jan. 20, 2017.....147-204	Issue 5, Feb. 3, 2017.....269-318
Issue 2, Jan. 13, 2017.....93-146	Issue 4, Jan. 27, 2017.....205-268	

RULEMAKING ACTIVITY INDEX

Rulemakings are listed in the Index by Chapter, Section number, rulemaking activity abbreviation and by volume page number. Use the page guide above to determine the *Register* issue number to review the rule. Headings for the Subchapters, Articles, Parts, and Sections are not indexed.

THIS INDEX INCLUDES RULEMAKING ACTIVITY THROUGH ISSUE 5 OF VOLUME 23.

Accountancy, Board of

R4-1-101.	PM-97
R4-1-341.	PM-97
R4-1-345.	PM-97
R4-1-453.	PM-97
R4-1-454.	PM-97
R4-1-455.	PM-97
R4-1-455.01.	PM-97
R4-1-455.02.	PM-97
R4-1-455.03.	PM-97
R4-1-455.04.	PM-97

Agriculture, Department of - Animal Services Division

R3-2-205.	EXP-135
R3-2-403.	EXP-135
R3-2-621.	EXP-135
R3-2-622.	EXP-135

Arizona Health Care Cost Containment System - Administration

R9-22-712.90.	FN-22
---------------	-------

Clean Elections Commission, Citizens

R2-20-101.	FXM-113
R2-20-104.	FXM-115
R2-20-105.	FXM-117
R2-20-107.	FXM-119
R2-20-109.	FXM-121
R2-20-110.	FXM-124
R2-20-111.	FXM-126
R2-20-112.	FXM-128
R2-20-402.01.	FXM-130
R2-20-402.02.	FXN-131
R2-20-703.	FXM-133

Education, State Board of

R7-2-617.	FXM-231
-----------	---------

Environmental Quality, Department of - Air Pollution Control

R18-2-1701.	EXP-135
Table 1.	EXP-135

R18-2-1702.	EXP-135
R18-2-1703.	EXP-135
R18-2-1704.	EXP-135
R18-2-1705.	EXP-135
R18-2-1706.	EXP-135
R18-2-1707.	EXP-135
R18-2-1708.	EXP-135
Table 3.	EXP-135
R18-2-1709.	EXP-135
R18-2-1701.	EXP-135

Game and Fish Commission

R12-4-501.	PM-273
R12-4-502.	PM-273
R12-4-503.	PM-273
R12-4-504.	PM-273
R12-4-505.	PM-273
R12-4-506.	PM-273
R12-4-507.	PM-273
R12-4-509.	PM-273
R12-4-510.	PM-273
R12-4-511.	PM-273
R12-4-513.	PM-273
R12-4-514.	PM-273
R12-4-515.	PM-273
R12-4-516.	PM-273
R12-4-517.	PM-273
R12-4-520.	PM-273
R12-4-521.	PR-273
R12-4-522.	PR-273
R12-4-524.	PM-273
R12-4-526.	PM-273
R12-4-527.	PM-273
R12-4-529.	PM-273
R12-4-530.	PN-273

Industrial Commission

R20-5-301.	EXP-297
R20-5-302.	EXP-297
R20-5-303.	EXP-297
R20-5-304.	EXP-297
R20-5-305.	EXP-297
R20-5-306.	EXP-297
R20-5-307.	EXP-297

R20-5-308.	EXP-297
R20-5-309.	EXP-297
R20-5-310.	EXP-297
R20-5-311.	EXP-297
R20-5-312.	EXP-297
R20-5-313.	EXP-297
R20-5-314.	EXP-297
R20-5-315.	EXP-297
R20-5-316.	EXP-297
R20-5-317.	EXP-297
R20-5-318.	EXP-297
R20-5-319.	EXP-297
R20-5-320.	EXP-297
R20-5-321.	EXP-297
R20-5-322.	EXP-297
R20-5-323.	EXP-297
R20-5-324.	EXP-297
R20-5-325.	EXP-297
R20-5-326.	EXP-297
R20-5-327.	EXP-297
R20-5-328.	EXP-297
R20-5-329.	EXP-297

Insurance, Department of

R20-6-204.	EXP-136
R20-6-1001.	PXM-151
R20-6-1002.	PXM-151
R20-6-1003.	PXM-151
R20-6-1004.	PXM-151
R20-6-1005.	PXM-151
R20-6-1006.	PXM-151
R20-6-1007.	PXM-151
R20-6-1008.	PXM-151
R20-6-1009.	PXM-151
R20-6-1010.	PXM-151
R20-6-1011.	PXM-151
R20-6-1012.	PXR-151; PX#-151; PXM-151
R20-6-1013.	PX#-151; PXM-151
R20-6-1014.	PX#-151; PXM-151

R20-6-1015.	PX#-151;	R4-26-405.	FM-215	R17-5-315.	PM-7
	PXN-151	R4-26-406.	FM-215	R17-5-318.	PM-7
R20-6-1017.	PXM-151	R4-26-407.	FM-215	R17-5-323.	PM-7
R20-6-1018.	PXM-151	R4-26-408.	FM-215	R17-5-401.	PN-16
R20-6-1019.	PXM-151	R4-26-409.	FM-215	R17-5-402.	PM-16
R20-6-1020.	PXM-151	R4-26-410.	FM-215	R17-5-405.	PM-16
R20-6-1021.	PXM-151	R4-26-414.	FM-215	R17-5-406.	PM-16
R20-6-1023.	PXM-151	R4-26-417.	FM-215	R17-5-407.	PM-16
R20-6-1024.	PX#-151;			R17-5-408.	PM-16
	PXN-151	Retirement System Board, State		R17-5-901.	FR-223; FN-223
R20-6-1025.	PXN-151	R2-8-117.	FN-209	R17-5-902.	FR-223; FN-223
R20-6-1026.	PX#-151	R2-8-201.	EXP-34	R17-5-903.	FR-223; FN-223
Appendix A.	PXM-151	R2-8-207.	EXP-34	R17-5-904.	FR-223; FN-223
Appendix B.	PXM-151			R17-5-905.	FR-223; FN-223
Appendix C.	PXM-151	Revenue, Department of - General Administration		R17-5-906.	FR-223; FN-223
Appendix D.	PXM-151	R15-10-301.	PM-108	R17-5-1001.	FN-223
Appendix E.	PXM-151	R15-10-302.	PM-108	R17-5-1002.	FN-223
Appendix F.	PXM-151	R15-10-303.	PM-108	R17-5-1003.	FN-223
Appendix H.	PXM-151	R15-10-304.	PM-108	R17-5-1004.	FN-223
Appendix I.	PXM-151	R15-10-305.	PM-108	R17-5-1005.	FN-223
Appendix J.	PXM-151	R15-10-306.	PM-108	R17-5-1006.	FN-223
Land Department, State		Transportation, Department of - Commercial Programs		R17-5-1007.	FN-223
R12-5-1902.	EXP-297			R17-5-1008.	FN-223
Pharmacy, Board of		R17-5-301.	PM-7	R17-5-1009.	FN-223
R4-23-407.1.	PN-5;	R17-5-302.	PM-7	Transportation, Department of - Title, Registration, and Driver Licenses	
	EN-31	R17-5-303.	PM-7	R17-4-703.	EXP-34
R4-23-411.	FM-211	R17-5-305.	PM-7	R17-4-711.	EXP-34
Psychologist Examiners, Board of		R17-5-306.	PM-7		
R4-26-401.	FM-215	R17-5-307.	PM-7		
R4-26-403.	FM-215	R17-5-308.	PM-7		
R4-26-404.	FM-215	R17-5-309.	PM-7		
R4-26-404.1.	FN-215	R17-5-311.	PM-7		
		R17-5-313.	PM-7		

OTHER NOTICES AND PUBLIC RECORDS INDEX

Other notices related to rulemakings are listed in the Index by notice type, agency/county and by volume page number. Agency policy statements and proposed delegation agreements are included in this section of the Index by volume page number. Public records, such as Governor Office executive orders, proclamations, declarations and terminations of emergencies, summaries of Attorney General Opinions, and county notices are also listed in this section of the Index as published by volume page number.

THIS INDEX INCLUDES OTHER NOTICE ACTIVITY THROUGH ISSUE 5 OF VOLUME 23.

Agency Ombudsman, Notice of	Oral Proceeding on Proposed Rulemaking, Notice of	Rulemaking Docket Opening, Notices of
Transportation, Department of; p. 309	Insurance, Department of; pp. 234-235	Game and Fish Commission; 12 A.A.C. 4; p. 299
County Notices Pursuant to A.R.S. § 49-112	Proposed Delegation Agreement, Notices of	Pharmacy, Board of; 4 A.A.C. 23; p. 137
Maricopa County; pp. 37-71; 236-256	Environmental Quality, Department of; pp. 35-36	Revenue, Department of; 15 A.A.C. 10; p. 138
Governor's Regulatory Review Council	Public Information, Notices of	Substantive Policy Statement, Notices of
Notices of Action Taken at Monthly Meetings; pp. 264-265	Environmental Quality, Department of; pp. 300-306	Health Services, Department of; p. 193
		Insurance, Department of; p. 194
		Water Infrastructure Finance Authority; pp. 307-308



RULE EFFECTIVE DATES CALENDAR

A.R.S. § 41-1032(A), as amended by Laws 2002, Ch. 334, § 8 (effective August 22, 2002), states that a rule generally becomes effective 60 days after the day it is filed with the Secretary of State's Office. The following table lists filing dates and effective dates for rules that follow this provision. Please also check the rulemaking Preamble for effective dates.

January		February		March		April		May		June	
Date Filed	Effective Date	Date Filed	Effective Date	Date Filed	Effective Date	Date Filed	Effective Date	Date Filed	Effective Date	Date Filed	Effective Date
1/1	3/2	2/1	4/2	3/1	4/30	4/1	5/31	5/1	6/30	6/1	7/31
1/2	3/3	2/2	4/3	3/2	5/1	4/2	6/1	5/2	7/1	6/2	8/1
1/3	3/4	2/3	4/4	3/3	5/2	4/3	6/2	5/3	7/2	6/3	8/2
1/4	3/5	2/4	4/5	3/4	5/3	4/4	6/3	5/4	7/3	6/4	8/3
1/5	3/6	2/5	4/6	3/5	5/4	4/5	6/4	5/5	7/4	6/5	8/4
1/6	3/7	2/6	4/7	3/6	5/5	4/6	6/5	5/6	7/5	6/6	8/5
1/7	3/8	2/7	4/8	3/7	5/6	4/7	6/6	5/7	7/6	6/7	8/6
1/8	3/9	2/8	4/9	3/8	5/7	4/8	6/7	5/8	7/7	6/8	8/7
1/9	3/10	2/9	4/10	3/9	5/8	4/9	6/8	5/9	7/8	6/9	8/8
1/10	3/11	2/10	4/11	3/10	5/9	4/10	6/9	5/10	7/9	6/10	8/9
1/11	3/12	2/11	4/12	3/11	5/10	4/11	6/10	5/11	7/10	6/11	8/10
1/12	3/13	2/12	4/13	3/12	5/11	4/12	6/11	5/12	7/11	6/12	8/11
1/13	3/14	2/13	4/14	3/13	5/12	4/13	6/12	5/13	7/12	6/13	8/12
1/14	3/15	2/14	4/15	3/14	5/13	4/14	6/13	5/14	7/13	6/14	8/13
1/15	3/16	2/15	4/16	3/15	5/14	4/15	6/14	5/15	7/14	6/15	8/14
1/16	3/17	2/16	4/17	3/16	5/15	4/16	6/15	5/16	7/15	6/16	8/15
1/17	3/18	2/17	4/18	3/17	5/16	4/17	6/16	5/17	7/16	6/17	8/16
1/18	3/19	2/18	4/19	3/18	5/17	4/18	6/17	5/18	7/17	6/18	8/17
1/19	3/20	2/19	4/20	3/19	5/18	4/19	6/18	5/19	7/18	6/19	8/18
1/20	3/21	2/20	4/21	3/20	5/19	4/20	6/19	5/20	7/19	6/20	8/19
1/21	3/22	2/21	4/22	3/21	5/20	4/21	6/20	5/21	7/20	6/21	8/20
1/22	3/23	2/22	4/23	3/22	5/21	4/22	6/21	5/22	7/21	6/22	8/21
1/23	3/24	2/23	4/24	3/23	5/22	4/23	6/22	5/23	7/22	6/23	8/22
1/24	3/25	2/24	4/25	3/24	5/23	4/24	6/23	5/24	7/23	6/24	8/23
1/25	3/26	2/25	4/26	3/25	5/24	4/25	6/24	5/25	7/24	6/25	8/24
1/26	3/27	2/26	4/27	3/26	5/25	4/26	6/25	5/26	7/25	6/26	8/25
1/27	3/28	2/27	4/28	3/27	5/26	4/27	6/26	5/27	7/26	6/27	8/26
1/28	3/29	2/28	4/29	3/28	5/27	4/28	6/27	5/28	7/27	6/28	8/27
1/29	3/30			3/29	5/28	4/29	6/28	5/29	7/28	6/29	8/28
1/30	3/31			3/30	5/29	4/30	6/29	5/30	7/29	6/30	8/29
1/31	4/1			3/31	5/30			5/31	7/30		



July		August		September		October		November		December	
Date Filed	Effective Date	Date Filed	Effective Date	Date Filed	Effective Date	Date Filed	Effective Date	Date Filed	Effective Date	Date Filed	Effective Date
7/1	8/30	8/1	9/30	9/1	10/31	10/1	11/30	11/1	12/31	12/1	1/30
7/2	8/31	8/2	10/1	9/2	11/1	10/2	12/1	11/2	1/1	12/2	1/31
7/3	9/1	8/3	10/2	9/3	11/2	10/3	12/2	11/3	1/2	12/3	2/1
7/4	9/2	8/4	10/3	9/4	11/3	10/4	12/3	11/4	1/3	12/4	2/2
7/5	9/3	8/5	10/4	9/5	11/4	10/5	12/4	11/5	1/4	12/5	2/3
7/6	9/4	8/6	10/5	9/6	11/5	10/6	12/5	11/6	1/5	12/6	2/4
7/7	9/5	8/7	10/6	9/7	11/6	10/7	12/6	11/7	1/6	12/7	2/5
7/8	9/6	8/8	10/7	9/8	11/7	10/8	12/7	11/8	1/7	12/8	2/6
7/9	9/7	8/9	10/8	9/9	11/8	10/9	12/8	11/9	1/8	12/9	2/7
7/10	9/8	8/10	10/9	9/10	11/9	10/10	12/9	11/10	1/9	12/10	2/8
7/11	9/9	8/11	10/10	9/11	11/10	10/11	12/10	11/11	1/10	12/11	2/9
7/12	9/10	8/12	10/11	9/12	11/11	10/12	12/11	11/12	1/11	12/12	2/10
7/13	9/11	8/13	10/12	9/13	11/12	10/13	12/12	11/13	1/12	12/13	2/11
7/14	9/12	8/14	10/13	9/14	11/13	10/14	12/13	11/14	1/13	12/14	2/12
7/15	9/13	8/15	10/14	9/15	11/14	10/15	12/14	11/15	1/14	12/15	2/13
7/16	9/14	8/16	10/15	9/16	11/15	10/16	12/15	11/16	1/15	12/16	2/14
7/17	9/15	8/17	10/16	9/17	11/16	10/17	12/16	11/17	1/16	12/17	2/15
7/18	9/16	8/18	10/17	9/18	11/17	10/18	12/17	11/18	1/17	12/18	2/16
7/19	9/17	8/19	10/18	9/19	11/18	10/19	12/18	11/19	1/18	12/19	2/17
7/20	9/18	8/20	10/19	9/20	11/19	10/20	12/19	11/20	1/19	12/20	2/18
7/21	9/19	8/21	10/20	9/21	11/20	10/21	12/20	11/21	1/20	12/21	2/19
7/22	9/20	8/22	10/21	9/22	11/21	10/22	12/21	11/22	1/21	12/22	2/20
7/23	9/21	8/23	10/22	9/23	11/22	10/23	12/22	11/23	1/22	12/23	2/21
7/24	9/22	8/24	10/23	9/24	11/23	10/24	12/23	11/24	1/23	12/24	2/22
7/25	9/23	8/25	10/24	9/25	11/24	10/25	12/24	11/25	1/24	12/25	2/23
7/26	9/24	8/26	10/25	9/26	11/25	10/26	12/25	11/26	1/25	12/26	2/24
7/27	9/25	8/27	10/26	9/27	11/26	10/27	12/26	11/27	1/26	12/27	2/25
7/28	9/26	8/28	10/27	9/28	11/27	10/28	12/27	11/28	1/27	12/28	2/26
7/29	9/27	8/29	10/28	9/29	11/28	10/29	12/28	11/29	1/28	12/29	2/27
7/30	9/28	8/30	10/29	9/30	11/29	10/30	12/29	11/30	1/29	12/30	2/28
7/31	9/29	8/31	10/30			10/31	12/30			12/31	3/1



REGISTER PUBLISHING DEADLINES

The Secretary of State's Office publishes the Register weekly. There is a three-week turnaround period between a deadline date and the publication date of the Register. The weekly deadline dates and issue dates are shown below. Council meetings and Register deadlines do not correlate. Also listed are the earliest dates on which an oral proceeding can be held on proposed rulemakings or proposed delegation agreements following publication of the notice in the Register.

Deadline Date (paper only) Friday, 5:00 p.m.	Register Publication Date	Oral Proceeding may be scheduled on or after
October 14, 2016	November 4, 2016	December 5, 2016
October 21, 2016	November 11, 2016	December 12, 2016
October 28, 2016	November 18, 2016	December 19, 2016
November 4, 2016	November 25, 2016	December 26, 2016
November 11, 2016	December 2, 2016	January 2, 2017
November 18, 2016	December 9, 2016	January 9, 2017
November 25, 2016	December 16, 2016	January 16, 2017
December 2, 2016	December 23, 2016	January 23, 2017
December 9, 2016	December 30, 2016	January 30, 2017
December 16, 2016	January 6, 2017	February 6, 2017
December 23, 2016	January 13, 2017	February 13, 2017
December 30, 2016	January 20, 2017	February 20, 2017
January 6, 2017	January 27, 2017	February 27, 2017
January 13, 2017	February 3, 2017	March 6, 2017
January 20, 2017	February 10, 2017	March 13, 2017
January 27, 2017	February 17, 2017	March 20, 2017
February 3, 2017	February 24, 2017	March 27, 2017
February 10, 2017	March 3, 2017	April 3, 2017
February 17, 2017	March 10, 2017	April 10, 2017
February 24, 2017	March 17, 2017	April 17, 2017
March 3, 2017	March 24, 2017	April 24, 2017
March 10, 2017	March 31, 2017	May 1, 2017
March 17, 2017	April 7, 2017	May 8, 2017
March 24, 2017	April 14, 2017	May 15, 2017
March 31, 2017	April 21, 2017	May 22, 2017
April 7, 2017	April 28, 2017	May 30, 2017
April 14, 2017	May 5, 2017	June 5, 2017
April 21, 2017	May 12, 2017	June 12, 2017



GOVERNOR'S REGULATORY REVIEW COUNCIL DEADLINES

The following deadlines apply to all Five-Year-Review Reports and any adopted rule submitted to the Governor's Regulatory Review Council. Council meetings and *Register* deadlines do not correlate. We publish these deadlines as a courtesy.

All rules and Five-Year Review Reports are due in the Council office by 5 p.m. of the deadline date. The Council's office is located at 100 N. 15th Ave., Suite 402, Phoenix, AZ 85007. For more information, call (602) 542-2058 or visit www.grrc.state.az.us.

GOVERNOR'S REGULATORY REVIEW COUNCIL DEADLINES FOR 2017

[M16-300]

DEADLINE FOR PLACEMENT ON AGENDA	FINAL MATERIALS SUBMITTED TO COUNCIL	DATE OF COUNCIL STUDY SESSION	DATE OF COUNCIL MEETING
Tuesday November 22, 2016	Tuesday December 20, 2016	Wednesday December 28, 2016	Wednesday January 4, 2017
Tuesday December 27, 2016	Tuesday January 24, 2017	Tuesday January 31, 2017	Tuesday February 7, 2017
Tuesday January 24, 2017	Tuesday February 21, 2017	Tuesday February 28, 2017	Tuesday March 7, 2017
Tuesday February 21, 2017	Tuesday March 21, 2017	Tuesday March 28, 2017	Tuesday April 4, 2017
Tuesday March 21, 2017	Tuesday April 18, 2017	Tuesday April 25, 2017	Tuesday May 2, 2017
Tuesday April 25, 2017	Tuesday May 23, 2017	Wednesday May 31, 2017	Tuesday June 6, 2017
Tuesday May 23, 2017	Tuesday June 20, 2017	Tuesday June 27, 2017	Thursday July 6, 2017
Tuesday June 20, 2017	Tuesday July 18, 2017	Tuesday July 25, 2017	Tuesday August 1, 2017
Tuesday July 25, 2017	Tuesday August 22, 2017	Tuesday August 29, 2017	Wednesday September 6, 2017
Tuesday August 22, 2017	Tuesday September 19, 2017	Tuesday September 26, 2017	Tuesday October 3, 2017
Tuesday September 26, 2017	Tuesday October 24, 2017	Tuesday October 31, 2017	Tuesday November 7, 2017
Tuesday October 24, 2017	Tuesday November 21, 2017	Tuesday November 28, 2017	Tuesday December 5, 2017
Tuesday November 21, 2017	Tuesday December 19, 2017	Wednesday December 27, 2017	Wednesday January 3, 2018

*Materials must be submitted by **5 P.M.** on dates listed as a deadline for placement on a particular agenda. Placement on a particular agenda is not guaranteed.